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Mr HARDGRAVE (Moreton) (12.31 p.m.)—I present the report of the Commonwealth of Australia Branch Delegation to the 45th Commonwealth Parliamentary Conference held in the republic of Trinidad and Tobago, September 1999. The Commonwealth Parliamentary Association represents almost a third of the world’s population and over 50 countries. As a forum for international debate, I submit it is second only to the United Nations, but in so many ways a lot more relevant than the United Nations because it speaks for the people of the nations it represents through the various parliaments.

The membership of the Commonwealth Parliamentary Association is perhaps even more highly valued by smaller nations within the Commonwealth. A lot of them, whilst adhering to parliamentary democracies, obviously have a fragile state of affairs. Perhaps recent events in Fiji underline the statement in itself. It is also interesting to note, Mr Speaker, as you would know as an active advocate for the Commonwealth Parliamentary Association, that countries have literally been queuing up over the past decade to join and be associated with the Commonwealth Parliamentary Association.

Perhaps members may find it of interest to know that even organisations like the Palestine Liberation Organisation saw membership of the CPA as something to aspire to and something they could qualify for. During the 1990s more than 20 new parliaments and legislatures were admitted to, or resumed membership of, the CPA. They include Cameroon, the newly created Indian states and territories, Mozambique, Pakistan and its provinces, the Seychelles, South Africa and its provinces, Uganda, and Zanzibar in Tanzania. The island republic of Fiji rejoined the Commonwealth and the Commonwealth Parliamentary Association following the coups over 10 years ago. One suspects that, after what has occurred in recent weeks, naturally enough they would be disqualified from membership of the organisation as it currently stands.

I stand here today to table this report on behalf of all members of the House of Representatives because I was the only member of this place to have attended the 45th conference in Trinidad and Tobago in September of last year. Several senators also went along to represent Australia at the conference. At the outset I acknowledge the company of Senators Alan Eggleston, Mark Bishop and Trish Crossin, and thank them. The delegation was led by Madam President in the Senate, ACT Senator Margaret Reid. At the conference Senator Reid was rewarded for her activities on behalf of you, Mr Speaker, and all members and senators by her election to the position of Vice-President of the Commonwealth Parliamentary Association for this year. The position will fold into the elected position of President of the Commonwealth Parliamentary Association next year. This parliament will be hosting the 47th international conference of all members of the Commonwealth Parliamentary Association in Canberra in this place next year.

I think it is quite timely, given what has occurred in Fiji and that the CPA will be meeting here in Canberra in a couple of years, to run through some of the basic values a lot of us may find Australians taking for granted and what the Commonwealth Parliamentary Association stands for. The association itself was founded in 1911 and there are now 142 national, state, provincial and territorial parliaments involved in the organisation, representing 14,000 parliamentarians across the world. The values of our nation are underpinned by parliamentary democracy. The CPA holds various seminars to try to wash some of those values into smaller nations, seminars to assist them with some of their particular developmental problems, and seminars to help them before, during and after elections to assess what has occurred and whether or not the systems they have in place have sufficiently served parliamentary democracy well. We should be concerned about nations which do not live up to the
same values of human rights, freedom and parliamentary democracy we have in this country—not in a hostile or lecturing sort of way, but rather in a way which encourages nations to know a little bit more about us and what we stand for and what the Commonwealth itself stands for.

As I said before, perhaps the role of the Commonwealth Parliamentary Association as an organisation is appreciated more by smaller nations than larger countries like ours. Some in Australia, dare I say, see the CPA as simply an excuse for a trip overseas, which is very sad, and members of the media are always quick to report when parliamentarians do their job of representing their nation and their constituents in other jurisdictions. But I submit to you that international reaction to what has occurred in Fiji is proof positive of why we need the good work which can come from parliament to parliament interaction, from parliamentarian to parliamentarian interaction. The friendships which can be built, the associations which can be created and the understanding which can be fostered all under the umbrella of organisations like the Commonwealth Parliamentary Association do stand our world in very good stead.

The basis of the CPA is a body of the representatives of the people of each of the nations that are involved. It is important to note that countries in our region are clamouring to understand more about proper parliamentary procedures. Not too many months ago, this parliament hosted a small but impressive delegation from Papua New Guinea which came here deliberately to find out about our committee system and about electoral reform. Papua New Guinea is a nation where, despite its long—in comparison to other nations—parliamentary tradition, ballot rigging still perverts the outcome of its elections and creates all sorts of pressures on the citizenry as a result; perhaps the sorts of pressures that are behind what has occurred in Fiji.

It is important for the Commonwealth Parliamentary Association to enjoy the support of the executive of this nation as well and that proper resources are made available to the parliament to allow parliamentarians to foster the sort of personal and systemic relationship that I think could serve our nation and the nations around us extremely well. That Papua New Guinea are looking at parliamentary reform only reflects the fact that there are nations near us that are also—whilst outside the Commonwealth—looking at parliamentary reform. Talking to individual members of a small delegation from Indonesia, I know that Indonesia is looking closely at parliamentary reform—reform that will open up the parliament to the people and give them the opportunity to feel well satisfied that their key institutions are reflecting the views and aspirations of the population. If those pressures that could come from not having the right sorts of reforms and systems in place are actually allowed to spill over, the consequences for this country are immense, are enormous. So parliamentary interaction—person to person, committee to committee—is very important. I would certainly like to see, particularly as we run down to a Commonwealth Parliamentary Association conference to be held here in Canberra in a year and a half’s time, an even greater role for the Commonwealth Parliamentary Association, enhanced by even greater assistance from the executive.

I do not think anybody in this place wants to go about lecturing other countries and imposing our values on others, but I think that, by exposing our values, our parliamentary traditions and the importance we place on disclosure, accountability and keeping always the people in mind, we can offer a lot of nations the chance to consider and perhaps adopt similar approaches to ours. At the very least, that sort of conduct allows us to show others a little about ourselves, about who we are and why we are and what the systems are, and those people can then gain some respect and admiration or perhaps just plain old understanding of why what we do is so important. In our desire to expand democratic parliamentary traditions, we of course cannot forget maintaining what we ready have. In this regard the government’s efforts to put money into a nation like Fiji after what had occurred a dozen years ago to try and inform and enforce good governance and good systems—reform of the civil service, basic education and other matters—is to be congratulated. But, as I have said, it is not a
matter of money alone; it really is a matter of
trying to bring about more and more of this
good conduct through these associations such
as the Commonwealth Parliamentary Asso-
ciation.

The trip to Trinidad and Tobago opened
up my eyes to the good conduct of this or-
ganisation and its enormous potential in our
own region. I have learnt now, as the acting
regional representative for Australia in this
place, that nations in Africa and in the Pacific
particularly want to hold on closely to mature
democracies such as those in Australia, New
Zealand, Canada and Great Britain. What we
have to do is rise to the challenge and return
the faith that these people put in us. In clos-
ing, I also thank—I have already mentioned
the elected representatives—Brendhan Egan,
Chris Paterson and Jim Pender. (Time ex-
pired)

Mr SPEAKER—Order! The time allotted
for debate on the report has expired.

COMMITTEES

Joint Standing Committee on Treaties

Report

Mr ANDREW THOMSON (Wentworth)
(12.41 p.m.)—On behalf of the Joint Standing
Committee on Treaties I present the commit-
tee’s report entitled Report 32: Six treaties
tabled on 7 March 2000, together with min-
utes of proceedings and evidence received by
the committee.

Ordered that the report be printed.

Mr ANDREW THOMSON—The report
I have just presented contains the result of a
review by the Treaties Committee of six pro-
duced treaty actions that were tabled here in
the parliament on 7 March this year, those
being the double taxation agreement between
Australia and Romania; an agreement be-
tween Australia and Denmark on social secu-
rity; an agreement between Australia and the
Slovak Republic on trade and economic rela-
tions; an agreement for cooperation between
Australia and the United States of America
concerning technology for the separation of
isotopes of uranium by laser excitation; the
Convention on the Recognition and En-
forcement of Decisions Relating to Mainte-
nance Obligations; and, lastly, an agreement
between Australia and New Zealand on child
and spousal maintenance. This is our second
and final report on the treaties that were ta-
bled on 7 March, and we have recommended
that binding action be taken in relation to all
six of these proposed treaty actions.

The first three agreements are all of a type
that we have endorsed previously. In each
case we do consider that it is in the national
interests that these new agreements be made.
We also consider that the uranium agreement
with the United States is definitely in the na-
tional interest. This agreement is going to
facilitate the export of an innovative technol-
yogy developed by Silex Systems, an Austra-
lian company. This technology will, if it is
successfully developed, allow for the effi-
cient production of low enriched uranium for
use by the electricity generation industry. The
agreement with the United States is going to
establish a monitoring and oversight ar-
rangement for the transfer of this technology
and it will extend the existing bilateral nu-
clear safeguards to make sure that the product
produced by this technology will only ever be
used for peaceful purposes.

For the most part, our report focuses on
the two child and spousal maintenance trea-
ties. They are the Convention on the Recog-
nition and Enforcement of Decisions Relating
to Maintenance Obligations and the agree-
ment with New Zealand on child and spousal
maintenance. The convention replaces an
older United Nations agreement that had
proved slow, inefficient and cumbersome in
its operations. This proposed new convention
obliges authorities in countries that are a
party to the convention to recognise and en-
force maintenance decisions made by judicial
or administrative authorities in other conven-
tion countries.

The agreement with New Zealand is de-
signed to put an end to some of the problems
that have arisen over the years between our
two jurisdictions. This agreement requires
that each country recognise and enforce
maintenance decisions, including court orders
and administrative assessments, that are
made in each of the countries. The main ad-
vantag e of these treaties is that they will cre-
ate more effective and hopefully more
streamlined processes for the implementation
of these cross-border maintenance agree-
ments. The treaties also provide a basis on which the government can actively seek to establish similar arrangements with other countries, including those in South-East Asia.

Although we support the principle behind the treaties, we are also conscious of the practical and financial difficulties that can be faced, and indeed are faced, by non-custodial parents attempting to maintain contact with their children while living in different countries. We will be very concerned if any evidence emerges that these treaties are being used to impede contact between non-custodial parents and their children. Accordingly, we have recommended that the responsible ministers monitor these treaties to ensure that they operate in a way that is fair and reasonable. We consider that this monitoring should culminate in a comprehensive review of the treaties after the first three years of operation, and the result of any such review should be made available to the parliament by way of a report to the treaties committee. I commend the report to the House.

Mr ADAMS (Lyons) (12.46 p.m.)—The report of the Joint Standing Committee on Treaties which has just been presented deals with: a double taxation agreement between Australia and Romania, an agreement between Australia and Denmark on social security, an agreement between Australia and the Slovak Republic on trade and economic relations, an agreement for cooperation between Australia and the United States of America concerning technology for the separation of isotopes of uranium by laser excitation, a Convention on the Recognition and Enforcement of Decisions Relating to Maintenance Obligations and an agreement between Australia and New Zealand on child and spousal maintenance. I endorse that binding treaty action should be taken in relation to all six of the proposed treaties. These are very similar to those that we have endorsed previously, and there is certainly no disagreement with the recommendations. The only one that could be read as being of a controversial nature is the one with the US concerning the safety and monitoring of low enriched uranium for use in the electricity generation industry. However, the content of the treaty itself ensures that Australia has some reasonable control over the processes.

I would like to digress slightly and talk about the word ‘treaty’ for a minute. In common usage, it means, according to the Oxford English Dictionary, an ‘agreement’ or ‘contract’, usually ‘between two or more states, relating to peace, truce, alliance, commerce, or other international relation’. But it can also relate to agreements or arrangements between governments to give aid to citizens of each other’s country. It is part of our role of governance to make sure these treaties are scrutinised, updated and enacted when necessary, and we do it all the time. What I cannot understand is why our Prime Minister is so opposed to the word when it deals with the original owners of this country. He is prepared to acknowledge that the Aboriginal people were here long before European settlement and that our ancestors and their offspring have a lot to answer for in their treatment of the original people. A treaty seems to me to be the most commendable stance to recognise the other part of our nation as equals. A treaty is in essence a recognition of the equality of both parties who come together in an agreement. It would help the reconciliation process become reality with a specific ‘instrument’ to be held as an agreement between the two parties.

Mr SPEAKER—Order! The member for Lyons is aware of the obligation he has to confine his remarks to the report, and I invite him to do so.

Mr ADAMS—Thank you, Mr Speaker. Of course, ‘treaty’ has been used in other parts of the world—just to finish on that point—including the United States and New Zealand, so that there has been a specific instrument for people to use to work towards common goals. The word ‘treaty’ can be very useful, even internally, in sorting out where we go.

The agreement with New Zealand is designed to put an end to problems that have arisen over many years between the two jurisdictions about agreements and the enforcement of maintenance decisions. It takes up the points of certain courts in this country, which have made decisions but have never been able to be totally binding concerning
New Zealand. This treaty allows those things to take place so that cross-border maintenance agreements can occur. The treaty also provides a basis for the government to actively seek to establish similar arrangements with other countries, including those in South-East Asia. The world is much smaller these days. People in our own citizenry travel, and we have people coming into our country. These issues become a reality and need to be dealt with in this way so that we continue to maintain what we have established in the past. I commend the treaty actions to the parliament.

Mr BAIRD (Cook) (12.51 p.m.)—I rise to support the Joint Standing Committee on Treaties report No. 32, which recommends support for six treaties. The Convention on the Recognition and Enforcement of Decisions Relating to Maintenance Obligations and the proposed agreement between Australia and New Zealand on child and spousal maintenance make much needed improvements to existing international arrangements surrounding child support. The agreement for cooperation with the United States of America concerning technology for the separation of isotopes of uranium by laser excitation will provide vital assistance to an Australian company in its efforts to export its innovative technology to the United States, with obvious benefits to this country.

I wish to speak to these first three treaties particularly. The committee also recommends support for separate agreements with the Slovak Republic, Denmark and Romania on trade and economic relations, social security and taxation respectively. At the core of the two treaties dealing with child support payments is the aim to ensure that a fair amount of child support is paid and that this is affected as little as possible by either the payer or the payee living overseas. The existing process of securing such payments under the United Nations Convention on the Recovery Abroad of Maintenance has been found, by and large, to be unsatisfactory. In many cases, the treatment and processing has been agonisingly slow and has become bogged down in the quagmire of international law.

At present, there are between 4,000 and 5,000 cases where child support orders made overseas are going through the Australian court system for legal enforcement—a considerable drain on resources in this area. The proposed convention has already been ratified by 19 countries, including some that are major sources of migrants to Australia, and obliges the relevant authorities in the signatory countries to recognise and enforce the maintenance decisions made in the other signatory countries. This cuts through a swathe of red tape and greatly reduces the burden on legal aid organisations, explaining why support for these treaties was recommended by Legal Aid in both Queensland and New South Wales as well as the Law Society of New South Wales. The National Council of Women of Australia has also recommended ratification.

On a personal level, I believe any action to streamline the workings of child support payments is to be encouraged. On the other side, it is important to make sure—as the member for Wentworth has highlighted—this does not disadvantage the ability of people living overseas to have spousal visits. The treaties committee will take a close interest in the outcome of this arrangement to ensure that any unfairness will be removed and that absolute access is provided under the terms of this agreement. Many of the reforms made by these treaties are working in tandem with the modifications announced by the Treasurer on budget night to provide Australia with a fairer and more efficient means of ensuring maintenance payments are upheld and children receive the care that they require.

In terms of the agreement with New Zealand, Australia shares more child support cases with New Zealand than any other country. The proposed treaty we are supporting will eliminate many of the areas of overlapping jurisdiction that have caused problems with the resolution of child support issues when the estranged parents live on opposite sides of the Tasman. I should point out that, while recommending that the government ratify these treaties, the committee also recommends ongoing vigilance by the Attorney-General and the Minister for Family and Community Services to ensure the treaties are operating in a fair manner and that
none of the rights of the parties involved, particularly the children, is impinged upon.

As I mentioned earlier, the terms of the agreement with the USA revolve around opening the door to a new technology that has been developed by Silex Systems Ltd, an Australian company operating at Lucas Heights in Sydney, which adjoins my electorate. The existing agreement between Australia and the USA that covers the peaceful use of nuclear energy does not cover sensitive new technology. This treatment paves the way for the commercial development of Silex’s product. Estimates at this stage foresee around $US18 million being generated as the project goes on. In effect, Silex’s innovation separates different isotopes of uranium through the use of the laser. This enables more efficient production of low-grade uranium for use in electrical power stations in the United States. The treaty ensures that Australia’s obligations under the nuclear non-proliferation treaty are not breached. It also requires that the technology is used for peaceful purposes only and is not passed on to other countries.

Briefly, the agreement with the Slovak Republic on trade and economic relations is welcomed because it opens up that area to Australian trade and investment. The agreement with Denmark on social security follows the pattern in other countries. The double taxation agreement with Romania also provides for future economic relations between Australia and Romania. I welcome these additions to treaties with Australia.

Mr BARTLETT (Macquarie) (12.56 p.m.)—This report of the Joint Standing Committee on Treaties covers six treaties tabled on 7 March this year. The six treaties have already been described by the preceding speakers; however, I would like to make a few brief comments on three of the treaties. The first two concern child maintenance: the Convention on the Recognition and Enforcement of Decisions Relating to Maintenance Obligations—a multilateral convention—and a bilateral agreement with New Zealand on child and spousal maintenance.

Members of the committee were conscious of the need to consider the rights of all interested parties—the payers, the payees and the children—and the needs of each of those groups. On the one hand, we recognise there is a need to improve provisions for ensuring certainty of child maintenance payments for the wellbeing of payees and their children, and this is the aim of these agreements. On the other hand, there is equally a need to ensure this does not impact unfairly on the payer, or the non-custodial parent. The challenge of ensuring this balance in the context of international payments is indicative of the challenges regarding this issue more broadly. The Convention on the Recognition and Enforcement of Decisions Relating to Maintenance Obligations will complement the existing multilateral agreement of the UN Convention on the Recovery Abroad of Maintenance, which has some 55 signatories. UNCRAM has not always worked satisfactorily, however. Its procedures are cumbersome and slow, and it has been too expensive. This convention aims to alleviate some of these problems.

More specifically, the agreement between Australia and New Zealand attempts to address some of the difficulties in child support arrangements between these two countries. Australia has more child support cases with New Zealand than any other country, yet there have been ongoing difficulties with the way enforcement procedures have operated, causing frustration and angst to all concerned. This agreement will remove the problem of conflicting child support assessments being issued by the two countries for the one case. The situation has existed, for instance, where New Zealand authorities have issued child support assessments which have, in effect, overridden pre-existing Australian court orders. Clearly, that is an unsatisfactory state of affairs.

The proposed agreement provides for each country to recognise and enforce the maintenance decisions made in the other country, both for court orders and for administrative assessments. In the past, arrangements applied only to court orders. The new arrangements will make it easier for payees to have appropriate maintenance orders enforced if they are overseas. Equally, payers will have a right to apply to Australian authorities to have assessments overturned or reviewed if
they consider them to be unfair. The Lone Fathers Association did express concerns about denial of access to children and the inadequate recognition of costs incurred during access. As an aside, I add that the second point was addressed in the government’s recent budget.

It is important that this agreement in no way exacerbates those problems, particularly the problem of access. There is protection for non-custodial parents under existing legislation. Under the Family Law Act 1975, custodial parents cannot permanently take children out of the country without the permission of the non-custodial parent. Further, provision exists for assessments to be reduced if the payer’s costs of access are high. So the committee’s view is that these agreements will not create any further difficulties for the non-custodial parents, while at the same time ensuring the flow of appropriate maintenance payments to the custodial parent. However, in order to further ensure that the agreement works fairly for all parties concerned, the committee recommends that a comprehensive review of this agreement occur three years after binding action is taken, and the results of this review will be presented to the committee for further consideration.

The second agreement on which I would like to comment briefly is the agreement with Denmark on social security. This agreement aims at coordinating the social security schemes of Australia and Denmark in order to provide better welfare protection for people moving between the two countries. Under this agreement, each country would be responsible for determining and paying their component of any entitlements. In all, this will provide a beneficial outcome for welfare recipients without any extra cost to the Australian government—in fact there will be a slight saving to the Australian government—while protecting the rights of those welfare recipients. I commend the report to the House.

Mr DEPUTY SPEAKER (Mr Nehl)—Does the member for Wentworth wish to move a motion in connection with the report to enable it to be debated on a future occasion?

Mr Andrew Thomson—Yes, Mr Deputy Speaker. I move:

That the House take note of the report.

I seek leave to continue my remarks.

Leave granted.

Mr DEPUTY SPEAKER—In accordance with standing order 102B, the debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting and the member will have leave to continue speaking when the debate is resumed.

PRIVATE MEMBERS BUSINESS

Goods and Services Tax: Automotive Industry

Dr Southcott (Boothby) (1.02 p.m.)—I move:

That the House:

(1) recognises that one quarter of all wholesale sales tax revenue is raised from cars and component parts;

(2) recalls the submissions made to the Industry Commission’s Inquiry into Assistance for the Automotive Industry which called for the introduction of a broad based consumption tax;

(3) welcomes the abolition of the 22% wholesale sales tax on cars and the introduction of a 10% GST;

(4) recognises that a 10% GST will increase the affordability of motor vehicles and will improve the international competitiveness of the automotive industry; and

(5) supports the $12 billion in income tax cuts which will increase households’ disposable income.

This is a simple motion. What it says is that the new tax system is good for the car industry and it is supported by the car industry. Whenever we hear opposition which criticises the GST and the new tax system, what those opposite are really proposing is a return to the current situation, where we have a 22 per cent wholesale sales tax on manufactured goods. In the Financial Review last week, Alan Mitchell, talking about South Australia, said:

In the short term South Australia’s prospects seem bright enough. Its car manufacturers will be among the biggest beneficiaries of tax reform. The
GST will remove the bias against manufacturers built into the old wholesale sales tax.

I find it perverse that we hear bleating from the opposition about a so-called buyers strike, but these are the same people who, when they were in government, actually increased the wholesale sales tax on cars to 22 per cent. They campaigned against lowering it. They voted against lowering it. Now they are complaining that it is not being lowered fast enough. Peter Hanenberger, the chairman and managing director of Holden, said:

From Holden’s point of view we don’t see a buyers strike at all.

Across the industry there is little evidence of a buyers strike. The shadow industry minister has released something like 29 press releases all talking about a buyers strike. There is an element of crying wolf here. While it is reasonable to expect that there might be some sort of transitional impact—and perhaps we will see a transitional impact in these last two months before the GST is introduced on 1 July—the fact that he has introduced 29 press releases with very little evidence to back them up does tend to indicate he is crying wolf.

As we know, the car market is very competitive. However, the three years since 1997 have been the three biggest selling years of all time. When the Industry Commission reported three years ago, all four manufacturers identified taxation as one of the disadvantages of Australia as a location for vehicle manufacturing. They noted that taxes depressed demand for vehicles. Holden said:

… policies of Australian governments work to the particular detriment of car manufacturers. Chief among these is the wholesale sales tax.

The wholesale sales tax makes vehicles less affordable; the high tax reduces domestic demand. The Australian Automobile Association made the point that high tax leads to adverse safety, fuel efficiency and environmental outcomes. When we came to government, Australia actually had one of the oldest vehicle fleets in the OECD. In 1996 only Turkey had an older fleet. The problem with the sales tax is that you have cascading taxes and they are built into the business inputs; so many of the people in the industry called for the introduction of a broad based consumption tax to reduce the tax burden. Toyota said:

The adoption of a broad based consumption tax will also eliminate the tax the wholesale sales tax system imposes on exports.

The Australian Chamber of Manufactures said:

Tax reform is necessary ... And it would:

… enhance our trade competitiveness.

The Business Council of Australia noted that the wholesale sales tax increased the costs of manufactured exports by 6.8 per cent. They went on to say:

… a VAT would benefit Australian industry, particularly the automotive industry … This would contribute to lower prices for cars and improved international competitiveness for locally produced vehicles and components.

The South Australian Employers Chamber of Commerce and Industry said:

The tax system particularly disadvantages the automotive industry in Australia because of its reliance on the inequitable wholesale sales tax.

They also said that a broad based consumption tax, like the GST, would make Australia more attractive as a site for investment to attract new automotive investment. They made the critical point that I made in this motion, and it is an extraordinary fact: purchases of cars and parts make up only three per cent of the Australian economy, yet over one-quarter of Commonwealth sales tax revenue is raised from the sale of passenger motor vehicles, commercial vehicles, parts and accessories.

So the automotive industry is bearing the brunt of the current indirect tax system. The brunt is falling on the indirect tax system. Members like the member for Kingston—who has a lot of automotive manufacturing in his electorate, as I have in mine—really need to explain themselves, because if you are against the GST what you really support is retaining a 22 per cent wholesale sales tax on cars; you really support the automotive industry and manufacturers bearing the brunt.

The commission also found that economic welfare would be advanced by moving towards a more uniform rate of commodity
taxation spread over a broader tax base. As I have said, as reported by the Industry Commission, the manufacturers—the component manufacturers and the vehicle manufacturers—saw a broad based consumption tax as increasing affordability, increasing demand and reducing the tax on exports.

As recently as this month, Mitsubishi announced a loss of $130 million; that was the greatest loss it had ever suffered and the situation it found itself in was very serious. It also announced that there would be 600 voluntary redundancies on top of the 300 of last year. It is very disappointing for those who will be taking these packages, although it is encouraging in a way that Mitsubishi is addressing this problem—and that is its long-term competitiveness, its long-term profitability. I hope that this will be a way of breaking the cycle.

I think members, like the member for Kingston, have been engaged in the business of talking down the Australian car industry, that they have let down the Australian car workers. After all, they campaigned to retain wholesale sales tax. You hear it here. Every week, we have opposition members being very critical of the GST. But, if they are critical of the GST, what they are really saying is that they want to return to this heavy taxation burden on the car industry. I believe there has been so much speculation about Mitsubishi that its market share has been damaged—and I do not think the shadow industry minister has helped, and I do not think the member for Kingston has helped. While this announcement is a serious announcement and this is difficult for car workers and their families, it does at least show that Mitsubishi is serious about addressing its competitive position.

When we had this announcement, the only thing we heard from the opposition was talk—talk about a buyers strike, talk about perhaps this meaning freezing tariffs from 2005 onwards. What that indicates to me is that these people opposite really have nothing new to offer. Ian Webber, who was a member of the Industry Commission who previously was in favour of retaining high tariffs, said that the problem was not the tariff; the problem was market share. So I am hopeful that Mitsubishi will be able to do this.

To look at the track record of tax and cars, it is worth going back to the early 1990s. In November 1991 the then opposition released Fightback. In 1992, in response, the Keating government reduced the sale tax on cars from 20 per cent to 15 per cent. The opposition went to the election—and obviously that was a very attractive part of Fightback—proposing a reduction in the sales tax on cars, and Keating matched it in One Nation. As we all know, that was one of the great confidence tricks in Australian politics. Mr Keating won the 1993 election and, by 1995, the sales tax had gone back up to 22 per cent on cars.

Mr Pyne—They are liars.

Dr SOUTHCOTT—They are liars. We know that many people were engaged in this debate. I know that the member for Chisholm was not here; the member for Kingston was not in parliament, but he was working in the office of the Treasurer. So the member for Kingston, who represents a lot of car manufacturing, was sitting in the office of the Treasurer when the wholesale sales tax went up to 22 per cent; the shadow industry minister was in cabinet. I find it perverse that these people who raised the sales tax to 22 per cent while they were in government, campaigned against us lowering it and voted against us lowering it, are now complaining that we cannot get it in fast enough. It was a great confidence trick that they perpetrated in 1993. In debate on this motion, we need to hear from opposition members whether they are in favour of the GST or whether they prefer retaining the current system, which is a heavy impost on manufactured goods.

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

Mr Pyne—I second the motion and reserve my right to speak.

Ms BURKE (Chisholm) (1.12 p.m.)—I quite happily rise today to speak on this private member’s motion on the car industry. As most members would know, the manufacturing industry is crucial to the Victorian economy. Furthermore, the car industry makes up a significant component of this industry, which is why I am so keen to speak on this private member’s motion today. In my electorate of Chisholm, there are many car com-
ponent companies, from Box Hill down to Huntingdale. My office has been inundated with letters from frustrated car manufacturers and dealership owners suffering from the car buyers strike caused by the lack of transitional arrangements for the GST.

The GST has been filled with many bitter ironies for both manufacturers and consumers. Prior to the election, the government was waxing lyrical about how the replacement of the wholesale sales tax with the GST would mean a decrease in car prices—a boon for manufacturers and consumers alike, we were told. But not so. Far from being a win-win situation, the general public were duped by the prospect of falling car prices, and the claims of those opposite have resulted in a car buyers strike. This has led to a massive downturn in the industry, with many of the big firms indulging in heavy discounting in an attempt to prevent the pre-GST sales dive. Yet this has not worked, as many companies have lost millions in lost production and employees have been stood down. In a VACC GST impact survey on new car dealerships earlier this year, it was predicted that up to 4,600 jobs would be lost in new car dealerships across Australia. In fact, the evidence of a buyers strike is overwhelming, with a glut of 100,000 cars sitting in car yards, a massive decline in new car sales and companies from assorted businesses such as components suppliers, motor body builders and airconditioning installers having all suffered because of the buyers strike that is currently going on.

But it will not help anyone because at this point in time there is massive confusion even about what the price of cars will be come 1 July. Many people are saying that it certainly will not be any less. Yes, the tax will come down. But there is no guarantee that the actual car price will. So this buyers strike has unfortunately had a significant impact. It has been felt just around the corner from my electorate in Bayswater, eastern Melbourne, where Kenworth trucks have shed 88 staff, saying that the cuts were—and this is from Kenworth Trucks direct:

... induced entirely by the price reduction resulting by the abolition of the wholesale sales tax without providing adequate transition arrangements.

This is very worrying for many people in the eastern suburbs of Melbourne who rely upon the vehicle industry for direct employment and now face an uncertain future. In addition, companies like Kenworth Trucks generate work for a lot of small businesses in surrounding suburbs, so those losses will have an effect on a whole range of industries in the eastern suburbs. However, even if the government is prepared to ignore the pleas of the car industry for more appropriate transitional arrangements, what about consumers? Remember cheaper cars were used as one of the great examples of the benefit of the GST? In early May, the NRMA came out and said, ‘There is a misguided perception among car buyers that they will be better off after the GST.’ And now even the government has buckflipped on its election promise that new cars will be cheaper. After all the big statements, the government has admitted that the 10 per cent GST will not increase the affordability of new cars.

So we now know the GST is a lose-lose situation for manufacturers and consumers. Many Australian car manufacturers have cut production due to the drop in demand and have had to lay off staff. Consumers, after having believed the promise of cheaper cars, are now being told by the government that they may get a better deal if they buy now rather than wait for the GST. It is ludicrous. A further indication of serious problems in the car industry was demonstrated by the ABS new motor vehicle registrations for April 2000, which showed a 3.2 per cent fall compared to March 2000 and a 12.5 per cent fall compared to April 1999. There was a fall of 32 per cent in registrations in articulated trucks, which just shows why the tragic loss of 88 jobs at Kenworth Trucks occurred just weeks before the introduction of the GST.

In fact, the whole outlook for the industry is gloomy. Whether it is a 26 per cent drop in new passenger motor vehicle sales, total industry volume or registrations, it appears the GST is biting hard and the government is refusing to do anything about it. Perhaps if the government had spent more time configuring better transitional arrangements for the car industry rather than wasting all its time and taxpayers’ money on GST advertising,
we would not be facing this trauma in the car industry.

Mr Pyne interjecting—

Ms BURKE—Yes, my friend, it is GST advertising, not an education campaign. The government stands condemned for its complacency and wanton neglect of the car industry, and its misinformation about the supposed drop in car prices has led to another swindle of the Australian people by this government.

Mr PYNE (Sturt) (1.17 p.m.)—It is good to see the member for Kingston finally showing some interest in this debate and coming into the House. Even though we are halfway through the debate, no doubt he will have his excuses. But we and the people of South Australia well recognise his lack of interest in getting into the House for this very important debate. The member for Chisholm said that she was delighted to be speaking in this debate, but I must admit that I thought she would have been embarrassed to be speaking in this debate because today we will find out the duplicity of the Labor Party’s position on the automotive industry. In their contributions, the member for Kingston and the member for Chisholm talked about a buyers strike. As my colleague the member for Boothby pointed out, the talk about a buyers strike is simply driving down the industry, simply talking down the automotive industry and talking down the economy and harming the very people that those opposite, Uriah Heep like, try to claim they speak for.

Let us be very clear about the ALP policy on cars and on taxes at the last election vis-a-vis the coalition’s policy. At the last election, the ALP argued that there should be a 22 per cent tax on cars and a 22 per cent tax on the export of cars overseas. So their policy was a 22 per cent tax on the automotive industry. Our policy, and what we are bringing in on 1 July, is a 10 per cent tax on the automotive industry and a zero per cent tax on exports. The ALP support a wholesale sales tax system that replicates those of Botswana and Swaziland. They support a system that increases the price of cars by over one-fifth. They support a system that disadvantages our exporters. They support a system that particularly disadvantages South Australia as a state that relies heavily on manufacturing industries, a state where 15.7 per cent of its gross state product is earned from the automotive industry. As the member for Boothby so rightly pointed out in his motion, the wholesale sales tax falls disproportionately on states like South Australia and Victoria because of their heavy reliance on the manufacturing industry, as opposed to states like Queensland and New South Wales which have a lesser reliance on the manufacturing industry. So they support a job destroying, investment limiting burden on the car industry and on South Australia in particular.

More to the point, the member for Kingston, who stands up and, hand on heart, claims to support the car industry, was part of the office of former Treasurer Ralph Willis that increased the wholesale sales tax from 15 per cent to 22 per cent after the 1993 election. Where was he? I remember once that he was asleep in the chamber, asleep in the advisers box—asleep at the wheel, so to speak. What was he doing in the Treasurer’s office? Was he arguing then for reduced taxes, for a 10 per cent level of taxation? Was he arguing then to bring it forward 12 months so the car industry would not have to suffer any ill effects of a 1 July beginning? No, of course not. He was probably trumpeting this policy to Ralph Willis at the time and forcing him to put it, and now he stands up and tries to deny his past. Fortunately, there are members like the member for Boothby and me who remember the past of some of our Labor colleagues.

Dr Southcott interjecting—

Mr PYNE—Exactly. He has form on this and many other issues. We will not get into the wine industry. We will do that another day. The coalition, on the other hand, is about expanding the car industry. It is about helping to make it world capable and world competitive in the areas of research and development and export. It is about establishing a tariff regime that supports both the industry and the consumer and encourages investment in research and development. It has the access and development strategy, with funding of $20 million over the next four years, to try to find new export markets for our manufacturers and others. Happily, our policy is work-
ing. The car industry is being perceived as having the ability and the necessary investment in research and development. Exports in the automotive industry increased to $2.77 billion in 1998-99, increasing by nine per cent on the previous year in spite of the Asian financial crisis. Holden is exporting to Argentina. The Australian built Camry is the largest selling car in Saudi Arabia—23,000 were sold last year to Saudi Arabia alone. In fact, our fastest growing export market to the Middle East is the automotive industry—46,000 cars were sold in 1999 to the Middle East, $760 million worth of vehicles. (Time expired)

Mr COX (Kingston) (1.22 p.m.)—It really does not surprise me that the member for Boothby and the member for Sturt have left it until this point in the cycle of the GST introduction to talk about the effect of the GST on cars, because they have been missing in action for the last 18 months when the effect of the GST buyers strike was impacting heavily on the jobs of car workers in South Australia and, in particular, on car workers at Mitsubishi—

Mr Pyne—There you go, hurting your constituents again.

Mr COX—the assembly plant of which is in the electorate of the member for Boothby.

Mr Pyne—You won’t be happy until—

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Sturt will be silent!

Mr COX—They have been totally silent. They have been pretending. They have been going along, quietly acquiescing with their leader. Senator Minchin, the Minister for Industry, Science and Resources, who has refused to give any assistance to the car industry whatsoever to protect it from the GST car buyers strike. Instead, they have pretended that there is not a GST car buyers strike. They have totally ignored it. The industry minister, in his defence of his lack of action, has continually quoted spurious statistics about total vehicle sales this year. He has completely ignored the fact that the GST car buyers strike has impacted disproportionately heavily on the domestic car makers. He has deliberately ignored the fact that in the last quarter of the last calendar year sales of domestically produced passenger motor vehicles were down substantially. Why did he do that? Because this government put wholesale sales tax revenue from cars above the jobs of South Australian car workers. The government has totally ignored this issue and what it has done to the profitability of the South Australian car industry.

Before Christmas Mitsubishi had 8,000 cars on the grass at Tonsley Park and no buyers for them. Their response to that was to turn their production line over totally to exports. They scarcely had any domestic sales to produce cars for. They did a little rejigging of management. In fact I had dinner on Saturday night with the manager of fleet sales at Mitsubishi.

Mr Pyne—Where did you go?

Mr DEPUTY SPEAKER (Mr Nehl)—Member for Sturt!

Mr COX—We went to the Woodcroft College Foundation fundraising dinner. I advise the member for Sturt. We had a discussion about this issue and I told him the story about how Bob McMullan was coming over after Christmas to give some publicity to the car buyers strike. You ought to remember that they had been producing only a handful of cars every week for the domestic market. I thought the best way of demonstrating that there was a problem was to do a press conference in the middle of the paddock of unsold cars. But the cars were not there. I rang Mitsubishi and said, ‘Where are the cars?’ They said, ‘We’ve sold them.’

Mr Pyne—Where is the buyers strike?

Dr Southcott—you have just proved it.

Mr Pyne—What are you talking about?

Mr COX—Member for Sturt and member for Boothby: they had all been sold to fleet buyers on extremely discounted arrangements. They were grossly unprofitable sales.

Mr Pyne—So they had been sold.

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Sturt will be wise not to defy the chair.

Mr COX—They were not making money out of it—the same as the rest of the car companies have not been making money out of the domestic cars that they have been pro-
ducing because they have had to put $5,000 worth of free extras in them so that they can sell them. It is indeed a great time to be buying a car. But it has had an effect on profitability. Mitsubishi’s profitability last year was down $130 million largely because of the GST buyers strike and that is the reason why 600 Mitsubishi workers have been sacked. (Time expired)

Mr SECKER (Barker) (1.27 p.m.)—It gives me great pleasure to support this motion moved by the member for Boothby, who continues to represent the views of many of his constituents who are affected by the car industry. When the previous speaker, the member for Kingston, visited that paddock at Mitsubishi I wonder whether he noticed that there were a few kangaroos short, because he must have been very embarrassed to come here today to try to defend Labor Party policy, or lack of policy, because their policy, or lack of policy, is indefensible. Virtually all Australians are affected by the car industry as consumers and employees. The new tax system provides huge benefits to consumers via cheaper cars, cheaper spare parts and cheaper running costs, which the opposition continually fail to acknowledge.

The vehicle industry plays a very important role in the whole economy of South Australia in terms of manufacturing, employment, value adding and exports, as the member for Boothby has so clearly shown in the facts he presented to this parliament. Its importance has been recognised by this government and previous ones through different car plans and various enhancement programs, especially for export capabilities. This motion recognises that one quarter of all wholesale sales tax revenue is raised from cars and components and this will be totally removed with all other wholesale sales taxes. For example, the 22 per cent wholesale sales tax on cars will be removed and replaced with a 10 per cent GST. We have already seen the benefits of this competition leading to cheaper cars in the lead-up to the GST replacement tax for wholesale sales tax. A concrete example of this can be shown by the following figures.

If it costs $30,000 to produce a Holden Commodore or a Magna and the mark-up by the dealer is 10 per cent, equalling $3,000, and the present wholesale sales tax is 22 per cent, equalling $6,600, the final price to the consumer is about $39,600. Under the new tax system that vehicle will still have a mark-up of $3,000 but a GST of at most $3,300, making the final price to the consumer of $36,300— a saving of at least $3,300 on a new Commodore or Magna. To the holder of an ABN, Australian business number, the new tax system will lead to an even greater saving of at least another $3,300, making a total saving of $6,600 for a business. But that is just in the purchase price; the spare parts and running costs will also be cheaper. Not only that, the embedded and largely hidden wholesale sales taxes that occur in the production of that vehicle will disappear, thereby making the final initial production costs of the Commodore cheaper which makes the final price to the consumer even cheaper again.

One of the problems with the cost of new vehicles in the past is that it has led to Australia having an ageing fleet of vehicles. That means we have too many older vehicles on the road which are less safe and more polluting. Therefore, passengers and drivers will be safer as a result of these much needed tax reforms as they will find it easier to buy newer cars. Not only that; our whole environment will be safer because new vehicles are less polluting.

There has been a multitude of submissions presented to the Industry Commission which have called for the very action that this government has had the courage to take—that is, to remove these debilitating wholesale sales taxes and replace them with a broad based consumption tax such as the GST. Meanwhile, the opposition has played cheap opportunistic games over the whole policy of tax reform, knowing there is a need for it and having recognised this fact at least 15 years ago when Keating and the present opposition leader Beazley supported it. Unfortunately, the latter now has not got the ticker to act in the best interests of all Australians when it comes to tax reform or any other policy issue of note.

This motion from the member for Boothby also importantly recognises the enormous tax
cuts to all Australian taxpayers, giving them even greater buying power, as well as to Australian business. With the average family $50 a week better off, and with business so much better off, the only possible reason for the opposition’s cheap politics on this matter is not because it is necessary—as it is; not because we will all be better off, because we will—but because the Labor Party has no answers, no policy and no ticker for the hard decisions that we have had the courage to take. (Time expired)

Mr MURPHY (Lowe) (1.32 p.m.)—The member for Boothby wants me to support his five-point motion. However, I believe his motion is double dealing as it sets out to manufacture consent from voters as we head towards the next federal election. On page 35 of the Sydney Morning Herald of 25 May 2000, marketing writer Mr Andrew Hornery in his article ‘GST ads panned as fluffy failures’ writes:

Advertising executives have given the GST ads the thumbs down, criticising the campaign for failing to provide tangible information ....

And:

Cliches set the tone for the new ads, one of which uses the Joe Cocker tune Unchain My Heart and shows Australians being liberated from heavy steel chains, a metaphor for the existing tax system.

The GST is a regressive tax because it taxes the expenses of Australians. Australian voters by nature are conservative, and they have woken up to a range of dishonest tricks used by the Howard government to implement the GST. This motion is further evidence as it sets out to engage this parliament in a veil of distortion concerning the automotive industry and worldwide competition. Every year Australians use the roads in a big way—driving millions of kilometres. Moreover, with the increases in interest rates and fuel costs, I have not seen any evidence that proves Australian motorists will be wealthier and better off because of the GST.

So why this enormous effort to advertise the virtues of an unpopular, regressive tax? It appears that the Howard government has learnt little from history. Or has this been a deliberate action to pull the wool further over the eyes of decent Australians? As indirect taxes have become universal, they have also become more regressive. Australian taxpayers are far more conservative, especially Liberal-National voters. In addition, any examination of taxation history will show that major tax revolts are likely to occur during periods of rising prosperity. The reaction by many Australians to this regressive GST will certainly lead to a slowdown effect in the economy. The impact will be felt more amongst the medium to middle sectors of Australian society. Costs and interest rates are already showing signs of change. These events refute the popular argument that tax revolts occur when the heavily oppressed can endure no more.

So now we have to endure the massive advertising campaign and the Howard-GST theme song, Unchain My Heart. This rendition, although delivered by the popular singer Joe Cocker, was borrowed from the ‘victim song era’. This song, however, is a male victim version, blaming all misery on women. It is masochistic and an insult to all women. Do the Liberal and National parties believe that we are akin to dogs or convicts, with the word ‘chain’ being repeated continually in the song? The choice of this song suggests that the Howard government believe that all Australians have always been powerless victims and are mindless idiots who like to be dominated. The lyrics of their chosen theme song depict all Australians on their knees, begging to a higher authority and not able to handle their own self-determination. To add insult to injury, the overall theme of this song in the setting of selling the GST confirms that the Liberal and National parties believe that all Australians are not intellectually driven but emotionally driven. In fact, the choice of this Howard government GST theme song is totally unacceptable and an absolute insult to all hardworking Australians—similar to the government’s whole GST package.

The member for Boothby sticks up for Mitsubishi when we know that Mercedes and Chrysler, which have taken them over, are interested in helping only the shareholders, not in making some magnanimous gesture to help their potential clients get a cheaper car. They are just concerned with looking after the shareholders—nothing else. And that is
why I am speaking against this motion; in fact I condemn the motion. The members for Boothby and Sturt are also making much play of the reduction in the wholesale sales tax in the car industry. I ask them: where is the evidence that the wholesale sales tax has stopped people from buying cars? Moreover, the rich and powerful, if they want to buy a big Mercedes Benz, would be prepared to pay up to $100,000 or 100 per cent wholesale sales tax. They will still continue to buy cars, so that is a nonsense.

The members for Boothby and Sturt also go on at great length about how great the GST is for us, and we all know that it is a consumption tax on just about everything. They believe that it is going to make things less expensive. That is not the way it is. We know that the GST is a tax for the rich; it is not something for low income workers. It is only going to help the rich: the more money you earn or the wealthier you are, the better off you are going to be under a GST. It is a disgrace, and I condemn the motion. (Time expired)

Mr BILLSON (Dunkley) (1.37 p.m.)—It is my pleasure to rise in support of my colleagues the members for Boothby, Sturt and Barker, and to assist the House in putting an end to that previous contribution. The motion before the House talks about how the new tax system will benefit the car industry and the car component industry, a number of manufacturers of which are in my electorate of Dunkley. It points to a number of changes. What may have been lost on members of the opposition is that the industry actually supports the change. They are standing here seemingly saying that there is something terrible about this transformation in our tax system, yet those whom they are seeking to represent actually do not agree with them. The car industry actually thinks that the changes are a good thing, and that is why they have consistently called for those changes.

They are supporting the changes for a number of very sound reasons. One is the improved affordability of cars for people. Most people in my electorate have the acquisition of a car as their second biggest personal expenditure item, and any improvement in affordability is a good thing. It would seem that if cars are more affordable, if they are cheaper and if our car industry is assisted, that would be a good thing for our country. Just about everybody can see that except those persons opposite.

The other thing they talk about is the crisis in the car industry. It is a bit like saying that the Essendon Football Club are only walloping every other team by 40 points this year when it was 45 points last year and don’t we have a crisis! The car industry is going extremely well. Sales figures are extremely positive and, as Parliamentary Secretary Brough at the table recognises, if you are winning every game by 40 points, that is still a mighty fine outcome. It might not be 45 points, but 40 points is still a mighty fine outcome. And that is what is happening in the car industry. Those opposite stand up and refer to figures about car sales that go off the base of the highest ever car sales in this country. They are saying, ‘Gee, car sales are down from last year, and this month’s from the year before. Isn’t this terrible! The world is coming to an end!’ What they do not tell you is that these are among the highest car sales figures this country has ever seen. So, while we are seeing some modest reduction at this time, these figures are still exceptionally good news.

To back up those statistics, I actually visited two of the dealerships in my electorate at the end of last week, both of whom told me that they are having very strong car sales at the moment, and both of whom point to the quality of their product and to the fact that people want to buy the models that they are offering. New model releases has been the issue that is driving their sales. Some of the companies that have previously said they are concerned about sales figures know, like all of us, that when the market is not that attracted to elements of their products people may shop somewhere else. To the credit of the car industries, those car companies, the assemblers that are having those difficulties with sales, have gone back to have a look at their product and have found that they can improve their product and now they are starting to see benefits through their sales.
That all seems to make sense, but that is lost on those opposite.

The other thing that I would like to point out is the fact that the GST and the tax package are actually delivering a $12 billion reduction in income tax. That reduction in income tax is not only welcomed by households around Australia but we realise that savings and that the paying-off of loans is made with after-tax money. So, if you can reduce the amount of personal income tax, that actually makes savings more attractive and an easier task. It actually makes the repayment of any debt you may have also a more attractive assignment. So, for the people like those in my electorate who may have to borrow money to purchase their car, this is also good news on the financing side of the equation—more good news for the car industry but, again, something lost on those opposite as they are wandering around the car yards looking for cars that are not there because they had been sold.

This week we have got people coming to Canberra to talk about the health of the car industry. I would like to put on the table my call for the federal government to get the support of the big four vehicle assemblers, the industry itself and the components industry to work together on something I have called the Australian components content alliance. Some of our domestic car manufacturers are still importing car components from overseas that we can make here, of just as good quality, at a better price and with better reliability of supply. I am calling on the government to work with the Australian auto industry council, which is meeting here in the next couple of days, to support our domestic component manufacturing industry. There are parts still being brought in from overseas and going into cars being assembled in this country. We can replace these with parts we make ourselves, and we should do that. That should be part of the mutual obligation between the car industries that are benefiting to the tune of $2 billion over four to five years through industry support. It is something that is already being led by Ford and other companies. Even Toyota had an open house where they showed all the component manufacturers the parts they were importing and invited people to compete to make those parts domestically. That is a positive step forward and an example of where mutual obligation can help the industry. (Time expired)

Dr SOUTHcott (Boothby) (1.42 p.m.)—by leave—I thank all those members who spoke on the motion. I did want to add to my previous comments. Unfortunately, the member for Kingston was not here at the start, so he may have missed what I said. The central question I had for him was: in 1995, when Treasurer Ralph Willis increased the sales tax to 22 per cent, where was he? In 1998, when we campaigned to lower the 22 per cent sales tax on cars and automotive parts, where was he? And when we voted to introduce a 10 per cent GST and to abolish the 22 per cent wholesale sales tax, where was he? As I said in my speech, I find it perverse that the same individuals who increased the sales tax, opposed the GST and voted against lowering it are now actually campaigning that we are not introducing it fast enough.

The issue of a buyers strike is not the issue. The issue is the long-term tax structure for the automotive industry. If we do see transitional problems in the next couple of months, this government takes responsibility for it; but we also take responsibility for the fact that we have lowered the tax on cars. My question is very simple: where were you?

Mr Speaker—Order! It being 1.45 p.m., the debate is interrupted in accordance with standing order 101. The debate is adjourned. The resumption of the debate will be made an order of the day for the next sitting.

STATEMENTS BY MEMBERS

Aboriginals: Reconciliation

Mr Danby (Melbourne Ports) (1.45 p.m.)—On Friday I had the honour of attending St Kilda Park Primary School for its Sorry Day. I was very proud of the principal, the teachers, the staff and the students of the school who had made a special effort to see that, while 250,000 Australians walked across the Sydney Harbour Bridge, in a little school in Brighton Road in my electorate they were remembering that we should all be saying sorry to the Aboriginal people of this
country. In particular, I want to pay tribute to the assistant principal, Peter Martin, to the teachers who were responsible for having all the kids, their parents and their grandparents there—Jan Phillips and Irene Olchowik—to the parents from the Aboriginal reconciliation group and to the six kids who read out messages that tore at the heartstrings: Sarah Haines, Ryan Souter, Rowena Mortimer, Bonnie Newton and Olivier Carpathiou. Paul Kelly had all the children sing an Aboriginal song. He is one of the parents of children at school. The Aboriginal land rights flag was presented by me in recognition of Reconciliation Week and is now flying over the school.

I think it is a shame that by contrast—and it was very disappointing—the Prime Minister was here in Canberra, having only one appointment. I am also very alarmed to read the comments of Professor Robert Manne in the Age as to why the Treasurer was not in Sydney. (Time expired)

Mental Illness: Mr Nigel Parodi

Ms GAMBARO (Petrie) (1.46 p.m.)—I rise today to thank the Queensland police for their courageous actions during recent weeks following the shooting of three police officers at close range in the suburb of West Chermside in my electorate of Petrie. With the discovery of Nigel Parodi’s body last week, this sad and difficult time has reached its conclusion and all involved are relieved that there has been no further harm to members of the community. The three police officers—Sergeant Chris Mulhall, Constable Daryl Green and Constable Sharmelle Cole—who were shot while sitting in their patrol car have been extremely brave throughout this period and I wish them all the best for a full and speedy recovery. For the residents of the streets surrounding the area, life is returning to normal after a trying time with local schools being closed and residents enduring checks by police as they travelled to and from their homes. It has also been a very difficult time for the Parodi family, who have assisted police at every opportunity, and my thoughts are also with them.

This incident shows that mental illness, and particularly depression, not only affects individuals but also touches families and communities. It is important that we, as representatives of communities, continue to provide avenues of support and rehabilitation for people affected by depression. Programs such as Mindmatters educational kit for secondary school teachers tackle the issues of mental ill health, particularly depression, and attempt to deal with the issue through open communication and destigmatisation. With over one-quarter of young people experiencing serious depression by the age of 18, this is a very serious issue. I know all my colleagues join me in thanking all the police and the community for their hard work, courage and tolerance during this difficult period. (Time expired)

Fiji: Political Crisis

Mrs IRWIN (Fowler) (1.48 p.m.)—Last Saturday, a group of more than 3,000 people of Fijian origin assembled in Bigge Park, Liverpool, to hear addresses on the current state of emergency in Fiji. The group later marched through the streets of Liverpool to show their concern for the tragic turn of events in that country. Most of those present have family members in Fiji and are greatly concerned for their safety. The rally heard from leaders of the Australian Fijian community who outlined measures which could assist pro-democracy groups in Fiji. Speakers pleaded for the Australian government to take whatever steps are necessary to ensure that democracy survives in Fiji and that those who have sought to overthrow a democratically elected government by force of arms do not receive international recognition.

I wish to express my concern for the fate of the elected representatives of the people of Fiji as well as for the families and friends of the many thousands of Fijian Australians at this most difficult time. The Australian government should move immediately to impose sanctions and do so before Fiji’s president installs an unconstitutional interim government.

Kelly, Ms Leanne: Young Rural Achiever of the Year

Mr St CLAIR (New England) (1.49 p.m.)—With the recent success of the Royal Easter Show exhibitors and participants from my electorate of New England, I feel it is
entirely appropriate for me to stand in the House today to congratulate them all. Specifically, I would like to congratulate one young person from my home village of Guyra on her tremendous achievement in being announced Young Rural Achiever of the year at this year’s Royal Easter Show. Her name is Leanne Kelly, she is the daughter of Ross and Wendy Kelly of Guyra and she is a tremendous ambassador for her home town, for the entire electorate of New England and now for the state of New South Wales. As a result of her efforts in this prestigious competition, she is also about to become an ambassador for Australia as she heads off to Canada to take part in more youth leadership activities.

I have had the pleasure of personally knowing Leanne for many years and I announced her as the winner of the Guyra Show Society Young Achiever of the Year at last year’s show. I know of her work with the Malpas Catchment Committee and now it is tremendous to hear of her achievements at such a high level. Leanne was chosen as the eventual Young Rural Achiever of the Year from seven other finalists from all over New South Wales after regional judging and a gruelling week of activities and final judging at the show itself.

Congratulations to Leanne on behalf of the people of New England. I look forward to hearing all about her experiences with the Young Rural Achiever award when she returns from her overseas trip. (Time expired)

Olympic Games: Torch Relay

Mr Ripoll (Oxley) (1.51 p.m.)—I would like to take this opportunity to record in Hansard the names of the Ipswich community’s selected torch bearers. They are: Winston ‘Doc’ White of Bellbird Park, David Reason of Camira, Eric Pate of Redbank Plains, Betty Utley of Collingwood Park, Lani Nielsen of Redbank Plains, Daniel Bennett of Willowbank, Sarah Gray of Raceview, Brendan Harris of Raceview, Norma Koplick of Ipswich, Gregory Bell of Wattle, Jennifer Cutler of Eastern Heights, Doug O’Connor of Brassall, Kristen Murphy of North Ipswich, Clyde Nicoll of Rosewood, Robert Hoge of North Ipswich, Gary Sawyer of Eastern Heights, Dallas Baker of Karalee, Carol Maas of North Ipswich, Norman Rule of Bundamba, Darryl Martin of Bundamba, Christopher Vierveyzer of Goodna, Rosemary Park of Riverview, Richard Faulks of Riverview, Laurence Hull of North Booval, James Holcombe of Bellbird Park, Jennifer Marshall of Bellbird Park, Kirk Page of Gailes and, most importantly, Hilda des Arts of Brassall.

I would also like to make special mention of those young people who were chosen to be escort runners along the way. They are: Vanessa-Leigh Elmore of Redbank Plains, Zane Jarvis of Lockyer Waters, Bronwyn Jones of North Booval, Lauren Lyons of Laidley, Graham Potts of Yamanto, Beth Smith of Booval, David Allen of Goodna, Ivana Bruic of Redbank Plains, Mitchell Conroy of Ipswich, Frances Underwood of Collingwood Park, Jacqui Wardlaw of Rosewood, Sandra Wilson of Flinders Views and Amanda Woodley of Camira.

I would like to congratulate all those people, especially the young people who have become involved in this torch relay. I think it is going to be a great event for Ipswich, and certainly it is a great event for our community to be involved with. They will have a great day on the day, and I know that the whole city will come out and support them. I think that they will have a memory that will last them for a lifetime. I think it is particularly important that we remember them in Hansard. (Time expired)

Macquarie Electorate: Reticulated Sewerage System

Mr Bartlett (Macquarie) (1.52 p.m.)—I rise on behalf of a group of Hawkesbury residents whose needs have been too long ignored by the New South Wales government. Specifically, I am referring to the residents of Glossodia, Wilberforce and Freemans Reach, who have been waiting for decades for a reticulated sewerage system. It is simply unacceptable that they are still dependent on the unhygienic, costly, inconvenient and environmentally harmful pump-out system. Three years ago the federal government funded an extensive environmental impact study into the proposed sewerage scheme for these three towns. This has subsequently undergone ap
propriate public scrutiny, and the Hawkesbury City Council is eager to proceed. What has been missing is the commitment of Sydney Water and the New South Wales government to provide the money needed to undertake this vital work. I can understand the frustration of local residents when they read last week of the announcement by the Minister for Land and Water Conservation of money for a number of country sewerage schemes but not a cent to Sydney Water to allow sewerage for these three towns. It is simply not acceptable that thousands of residents in this part of the Hawkesbury are continually overlooked by the state government. I would urge Sydney Water and the New South Wales government to make the necessary financial commitment and undertake this long overdue work, for the sake of the families of the Hawkesbury, and for the sake of the local environment.

**Rankin Electorate: St Bernadine’s Parish**

Mr Emerson (Rankin) (1.54 p.m.)—On Sunday, 28 May I attended a mass of celebration and thanksgiving for the 20th anniversary of St Bernadine’s parish. The mass was celebrated by Archbishop John Bathersby, Father Frank O’Dea and Father Joseph Vo Van Hien, and was attended by around 400 parishioners. I congratulate the community St Bernadine’s for its 20 years of service to people in need and for building a stronger community in Logan City. St Bernadine’s provides education, sporting opportunities, pastoral care and spiritual nourishment to thousands of families in the Logan and Beaudesert areas. A special mention goes to Peter Flynn, James Smith, Jan Tilley, Sister Margaret Endicott, Nola Bamkin, Paul Hegerty, Sister Lorraine Brosnan, Carmel Hedger, Frank Anderson, Nick Scott, Rob Canning, Michael Mangan, Dan Schutte, Sister Joan Muhldorff, Jim Hiesler, Dot Sonter, Syrena Scott and Toni Sorbello for the part they played in the mass and celebration and for their contribution to the parish. The final words go to a student of St Bernadine’s, who remarked to his teacher at the school:

I am proud to be a part of the St Bernadine’s community.

Finally, my heart goes out to the Wilton family at this time of great sadness.

**Dunkley Electorate: Visit by the Hon. Dr David Kemp**

Mr Billson (Dunkley) (1.55 p.m.)—I rise to share with the House an extremely successful visit by the Hon. Dr David Kemp to my electorate on Friday. The day started with a very successful breakfast organised by the Seaford branch of the Liberal Party to share with local business and community representatives the vast range of initiatives the government has implemented to assist young people with the transition from the school environment into the broader community. It was also an opportunity for an organisation called Youth at Risk, which is quite active in Victoria, to share with that same audience some of the initiatives they are undertaking not only in the Melbourne metropolitan area but also based down in the main city within the community I represent in Frankston. That went extremely well. It was followed by a visit to the Seaford North Primary School, where we heard first-hand how a very successful and effective forward-looking school community is embracing the priorities of literacy and numeracy, information technology skills, the involvement of parents in the education of their kids and also an interesting project where there is actually a farm in the middle of the school in the outer metropolitan area of Seaford, where kids who may be finding it difficult to fit in with the school community or who get up to mischief in the classroom are given responsibility to help care for the many animals that are in that area. It was quite interesting as we spoke with the principal, the assistant principal and the minister for education about the direction of education and government policy and were greeted by calls from the geese and the goats.

It was quite sensational. It was a very effective visit to Dunkley. (Time expired)

**Chisholm Electorate: School Leaders Forum**

Ms Burke (Chisholm) (1.57 p.m.)—I rise today to talk about some fantastic young people in my electorate. Last week I held a
school leaders forum that was attended by numerous secondary colleges in my area. Those present were from Avila College, Box Hill Secondary College, Kingswood College, Salesian, Sion, Box Hill High School, Koornung Secondary College and Mount Waverley Secondary College. I was overwhelmed by the breadth of wisdom from the young people in that forum. They had such insight into our problems today. I wanted to get up and say thank you to them for coming along and sharing their views with me. It is really important for us to be out there and in touch and to hear from everybody. I would like to thank them for coming along. They had such great insights into the new curriculum in Victoria, the change from what was known as CATs—common assessment tasks—to SACS, or ongoing assessment tasks. They had analysed it more thoroughly than I think the teachers in the schools had. They appreciated how it was impacting upon them in a psychological sense. They had some great ideas that I will now be passing along to the minister for education in our state, because they understood the pressures that it was actually putting these kids under. The new system was meant to make it easier for these kids, and actually it has made it harder. I want to put on the record my thanks for their wisdom and to wish them well for their final year of study.

New England Electorate: Landcare Projects

Mr St CLAIR (New England) (1.58 p.m.)—I rise today to bring to the House's attention that over the last two weeks I have had the pleasure of visiting over 30 Landcare projects in my electorate of New England. As members would be aware, the New England electorate covers the whole of the tablelands area of the north of New South Wales, which is indeed the watershed or rainwater roof for the rest of the nation. With so much debate being held at the moment over water quality and the question of access to water in the western regions of New South Wales—in fact, in the whole of the Murray Darling Basin area—I took it upon myself to go and listen and talk to the Landcare people who received in my electorate $1.2 million of Natural Heritage Trust funding for over 41 projects through the electorate, from Werris Creek in the south to the Queensland border in the north. I was very much pleased and surprised to see that the majority of those that were involved in the Landcare projects were successful farmers themselves. To see them taking such an interest in the Landcare projects around the electorate, I have to say, has to be commended to the government.

Mr SPEAKER—Order! It being 2 p.m., in accordance with standing order 106A the time for members' statements has concluded.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Minister for Sport and Tourism will be absent from question time today. She is opening the 2000 Australian Tourism Exchange in Sydney. The Minister for Financial Services and Regulation will answer questions on her behalf.

QUESTIONS WITHOUT NOTICE

Fiji: Political Crisis

Mr BEAZLEY (2.01 p.m.)—My question is to the Prime Minister. Prime Minister, given that constitutional processes in Fiji have already been abrogated by the decision of the President and the Great Council of Chiefs to dismiss the democratically elected government, and given that this will not be changed through any actions taken against Speight and his associates, what sanctions is the Australian government applying against Fiji?

Mr HOWARD—I thank the Leader of the Opposition for the question. I indicate to him that, in a short while, the foreign minister will be having something to say about this subject. I know I speak for everybody in the parliament in saying how horrified we were at the abrogation of democracy. Only a few weeks ago I met Mr Chaudhry here in Canberra and he was the democratically elected leader of a fellow Commonwealth member. He did not deserve to have his life threatened.

The behaviour of Speight, the weakness of the Great Council of Chiefs, the general disintegration of democratic processes in that country are very disturbing. But most disturbing of all is the suggestion that Fiji may in future have a racially based constitution.
That is the point of real departure as far as the government is concerned. That is unacceptable in relation to any country in the world and I have made it constantly plain on behalf of the government that, if constitutional processes are not restored—and I tend to share the view of the Leader of the Opposition that that is extremely unlikely—then there have to be some consequences.

The situation is, nonetheless, still somewhat fluid. The news coming out almost on an hourly basis does not give one any cause for optimism. I think it is profoundly regrettable that Fiji looks as though it is going back to a racially based constitution. That is always unacceptable, no matter what the country is and no matter what the circumstances are. The response of the government to that if it is on any continuing basis, which it looks as though it will be, will be appropriate and will be strong. I know from what the Leader of the Opposition has already said and from the tenor of his question that the government’s attitude will have the total support of the opposition.

Fiji: Political Crisis

Mr TIM FISCHER (2.03 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the Minister for Foreign Affairs inform the House of the Australian government’s position on recent developments in Fiji just alluded to by the Prime Minister? What is the Australian government’s reaction to these developments, every bit as ugly as events in Eritrea and elsewhere?

Mr DOWNER—I thank the honourable member for Farrer, who, as all members of the House would know, has a great interest in Fiji and a concern for the situation there. I am sure also that all members of the House share the Prime Minister’s deep concern for this tragic crisis that has occurred in Fiji and are outraged at the activities of Mr Speight and his colleagues. As of today the immediate concern for all interested parties is the release of all the hostages, including the elected Prime Minister and his ministers.

The government has been in very close consultation with the New Zealand government. I have in the course of this morning spoken with the New Zealand foreign minister and both our cabinet and the New Zealand cabinet have been giving consideration to this issue today. Both of our countries believe that we should maintain all necessary measures to prevent Speight from entering either Australia or New Zealand and I will also move against other individuals involved in the hostage taking. I have instructed our missions abroad to seek the cooperation of other like-minded governments to take measures against what can only be described as terrorists.

Along with New Zealand, we have reviewed a range of other measures which we will put in place unless constitutional government is returned to in Fiji. The measures that the New Zealand government is announcing today are somewhat similar to ours, but there are slightly different circumstances for New Zealand and so there are some variations. I would like to pay tribute to the New Zealand government for the cooperation there has been. I think it makes a great difference if our two countries operate in a cooperative way, and we have certainly been able to do that.

The measures that we will take unless constitutional government is returned to in Fiji are: a suspension of the Australia-Fiji Trade and Economic Relations Agreement; the downgrading of our aid relationship, in particular the suspension of projects involving the Fiji public sector and the awarding of new scholarships; the suspension of forthcoming naval visits and joint military exercises; and a thorough review of sporting contacts, including in particular a possible ban on the Fiji national rugby union team from visiting Australia. I am expecting to attend the Commonwealth Ministerial Action Group meeting in London on 6 June, that is next Tuesday, and, unless there are some positive developments in Fiji between now and then, I will be moving at that meeting for the suspension of Fiji from the Commonwealth.

The government has also decided that in the circumstances it would be entirely inappropriate for the Olympic torch, which after all is a symbol of peace, to pass through Fiji. The New South Wales Minister for the
Olympics, Michael Knight, and I have also agreed that, in the light of the deteriorating security situation in Fiji, it would also be inappropriate for the torch relay to visit Fiji, and that is of course a particular formulation that SOCOG would wish to emphasise.

We have decided, in the event of these sanctions being imposed, not to reverse the decision to extend the import credit scheme which the government made following the recent visit to Australia by Fiji’s Prime Minister. To apply trade sanctions of that kind and more generally would have a wholly disproportionate impact on the Fiji-Indian section of the community. The government obviously has to weigh that in the balance. Finally, my department has just issued a further travel advice which urges all Australians to consider deferring travel to Fiji. Australian citizens currently in Suva are strongly advised to either leave Fiji or temporarily relocate within Fiji. I have instructed the department to reopen the crisis centre to monitor ongoing developments.

**Fiji: Political Crisis**

Mr BRERETON (2.08 p.m.)—My question is directed to the Prime Minister. In light of the increased anarchy in Suva and the imminent prospective evacuation of New South Wales police from Fiji, can you assure the parliament that full preparations are under way for the possible evacuation of Australian nationals to consider deferring travel to Fiji. Australian citizens currently in Suva are strongly advised to either leave Fiji or temporarily relocate within Fiji. I have instructed the department to reopen the crisis centre to monitor ongoing developments.

Mr NUGENT (2.09 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Would the minister inform the House of the visa status of Mr George Speight, leader of the coup in Fiji? How would the government view further visa applications from Mr Speight?

Mr RUDDOCK—I thank the member for Aston for his question. It is unusual to comment on matters relating to visas, but I can inform the House that Mr Speight was the holder of a visa entitling him to re-enter Australia. That visa has been cancelled. The action was taken under the sections of the Migration Act which provide for cancellation on grounds that ‘the presence of its holder in Australia is, or would be, a risk to the health, safety or good order of the Australian community’. Mr Speight therefore no longer holds a valid visa entitling him to re-enter Australia. If he were ever to apply for a new visa to re-enter, character considerations stemming from his current activities would obviously be taken into account in assessing any applications.

Mr BRERETON (2.10 p.m.)—My question is addressed to the Minister for Foreign Affairs.

Mr DOWNER—The short answer to that question is that the government has been working on contingency plans for the evacuation of people from Fiji. In addition to that, the honourable member asks about Fijian citizens. We would have to look at that on a case by case basis, but inevitably the government does have contingency plans. We hope it will not be necessary to implement those contingency plans; but, as has been the case in previous situations—in East Timor and Cambodia—over the last three years, we have a plan ready to put into action quickly if the worst comes to the worst.

Mr DOWNER—I thank the honourable member for his question. The question of who the Commonwealth Secretary-General’s mediator in the Solomon Islands should be is a matter for the Secretary-General himself. I was in communication with the Secretary-General on Saturday, and we had quite an extensive discussion about the situation in the Solomon Islands. I can say that, to the best of my knowledge, he does not have any plans to replace General Rabuka as the mediator, but of course the situation in Fiji is such that
there is not much in any case that General Rabuka can do. But this will no doubt be a matter that he, the Secretary-General, will consider over the next few days.

The honourable member implicitly raises the question of the participation by Fijian police in the Commonwealth’s multilateral police presence in the Solomon Islands. This is indeed a question that the government is addressing and, again, is a matter that I have discussed with my New Zealand counterpart, Mr Goff. There are proposals for additional police to be provided from Vanuatu, and Vanuatu has, to the best of my knowledge, been quite positive in offering a considerable number of police for this exercise. Considerations are being given further by Australia, New Zealand and others to other sources for the additional police. It is certainly necessary for police to be provided; there is no question of that. The government is committed to funding 50 police at the request of the Prime Minister of the Solomon Islands. We are maintaining that commitment. In addition to the commitment under the Commonwealth’s multilateral policing operation, there are some Australian advisers on the ground in the Solomon Islands as well, assisting with the policing task there.

Australia Business Number: Applications

Dr SOUTHCOTT (2.13 p.m.)—My question is addressed to the Treasurer. Would the Treasurer update the House on the total number of Australian business numbers issued to date by the Australian Taxation Office?

Mr COSTELLO—I thank the honourable member for Boothby for his question. I can report to the House that the government originally estimated that there would be 2.1 million Australian business numbers and that, as of today, 2.05 million Australian business numbers have been registered. It is 50,000 fewer than was estimated and, clearly, the government will exceed its forecast because there are on hand 2.36 million when the original estimate was that there would be 2.1 million registrations.

I can also inform the House that the government has exceeded its estimate for registration for GST. As of today, 1.5 million have registered, and there are 1.7 million applications. The good news is that, notwithstanding the obstruction tactics of the Labor Party and notwithstanding the efforts of the unions to put work bans on in the Australian Taxation Office, the campaign has failed and the government will meet its expectations in relation to registration for GST. There are still two days in May left. I would urge any business that has not put in its application to do so in the next two days. If they make their application in the next two days, they can be guaranteed registration by 1 July. Even if they do not make their application in the next two days, I would nonetheless urge them to make their application. They cannot be guaranteed a number by 1 July, but they will be guaranteed a number as soon as possible. I remind businesses that if they are not registered for GST on 1 July they are nonetheless required to remit GST without having the ability to collect it in relation to their sales. I remind businesses that if they are not registered for the Australian business number by 1 July they can be subject to withholding at the full marginal tax rate. One of the great things about this new tax system is that it will make it much harder to operate in the black economy. That has been shown to date. Those honest taxpayers who have been looking for tax relief will support the government in its efforts to close down the black economy so that decent, ordinary, hardworking families can get the tax relief that they deserve.

Aboriginals: Reconciliation

Mr BEAZLEY (2.16 p.m.)—My question is to the Prime Minister. Following the huge turnout in support of reconciliation yesterday, will you now allow the House to consider and debate a resolution expressing a national apology for the trauma and suffering endured by indigenous Australians because of past practices, including the removal of children from their parents?

Mr HOWARD—The Leader of the Opposition asked me about yesterday’s turnout. Can I say that it was a very strong demonstration of the commitment of a large number of Australians to the process of reconciliation. For that reason, it was a wholly welcomed thing. On the question of a national
apology, the Leader of the Opposition knows the attitude that I have expressed previously on behalf of the government. There was a resolution conveying unanimously the sincere regret of this House in relation to those practices. It was tabled and carried unanimously last year. It remains the view of the government that that is the appropriate parliamentary expression on this issue.

Workplace Relations: Manufacturing Sector

Mr McARTHUR (2.18 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, are there any recent developments in the manufacturing industry, particularly in Victoria, which threaten the orderly conduct of workplace relations and the application of the rule of law in that sector? Would you inform the House of the federal government’s response to those developments? What steps can policy makers take to protect the workplace relations system and the national interest in light of these developments?

Mr REITH—I thank the member for Corangamite for his question. There is no question whatsoever that as at 1 July the manufacturing sector in Victoria will be under a very significant threat. That is a threat under the title of Campaign 2000, which is a campaign being run by certain left-wing unions to see the end of enterprise bargaining and the re-establishment of a system which was very expensive and costly for manufacturing back in the 1970s. In a sentence, the last thing that this country needs is a return to an old-style, confrontationist type of industrial politics run by the AMWU which will see a lot of investment leave that state.

We have a development today. This arises out of orders made last year by the Industrial Relations Commission. They were to be enforced by the Federal Court and, in breach of those Federal Court orders, two leading unionists have been fined $20,000 each. Already one of those has defied the orders of the court and made it clear that he has no intention of complying with the further orders brought down today. This is typical, unfortunately, of some trade union leaders, who believe that they are above the law and able to thumb their noses at a court order.

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition.

Mr REITH—This is what the judge said—

Mr Beazley interjecting—

Mr SPEAKER—The Leader of the Opposition is defying the chair.

Mr REITH—Your challenge will be to stand up to these blokes because they have already paid out—

Opposition members interjecting—

Mr REITH—It is a sensitive matter for the Labor Party because they have a choice to make. Either they uphold the law or they stand shoulder to shoulder with Craig Johnston. Members will remember Craig Johnston. He was at the front of the parliament knocking down the front doors and was subject to a fine for his behaviour—conduct which they have never repudiated because they would never have the ticker to stand up to these people. The judge said:

The rule of law in a democratic society does not permit any member of that society, no matter how powerful, to pick and choose the laws or court orders that are to be observed and those that are not ... The fact that the breaches are by union leaders holding important offices in a federation of national trade unions makes them more, rather than less, serious ...

He went on to say:

Those union leaders who put applications to the court for injunctions against others should also have a responsibility to comply with orders when those orders are made against them.

This is a clear signal to us all why it is important that this parliament pass further legislation to protect the manufacturing industry against the lawlessness which we can expect from people like Craig Johnson, supported by the Leader of the Opposition. The metals union is one of the biggest influences in the Socialist Left, yet the parliamentary Labor Party is clearly not prepared to stand up and block its strategy. Even though Rob Hulls, the Labor Attorney-General in Victoria, has already said that these fines were appropriate, we will not see the Labor Party in Canberra
standing up to the AMWU. It is not as though they do not have $20,000. They had $1 million for the Labor Party in 1998. They can certainly afford to meet these fines, and the challenge on the Leader of the Opposition is, firstly, to support legislation in this parliament to protect the manufacturing industry; secondly, to stand up and call for compliance with a Federal Court order; and, lastly, to distance himself from those who are determined to pull down a policy which Labor in government supported but now does not have the ticker to stand up against the union.

Goods and Services Tax: Advertising Campaign

Mr MARTIN FERGUSON (2.23 p.m.)—My question is to the Minister for Transport and Regional Services. Minister, isn’t it a fact that the government is spending more than $360 million to sell its GST? Couldn’t that money have paid for an upgrade of a 90-kilometre stretch of single carriage highway to dual carriageway, making our roads better and safer? Why won’t you spend this $360 million on our roads rather than on a GST PR campaign?

Mr ANDERSON—I thank the honourable member for his question. Indeed, it gives me the opportunity to say a little more about the ALP and the management of resources in relation to infrastructure. I think I heard the Treasurer say a little while ago that you should never trust the ALP with money. Now I hear the member for Batman saying that another $306 million would be handy. I will come to that. It is ironic that he should have chosen that particular figure. As the member for Indi and the member for Farrer know, we committed ourselves to an internal bypass project in Albury-Wodonga on the national highway grid and so forth across Australia. In relation to infrastructure expenditure, perhaps I could pose a question to the member for Batman: why is it that his colleagues in New South Wales will not move on the $125 million that we have on the table to put a dedicated freight line through Sydney? It is sitting there, waiting for them to get on with the job so that we can spend the money. But the third thing I would ask is: if they are so committed to transport reform in this country, why will they not get behind the massive reductions in taxation that we are introducing for transport on 1 July?

Roads: Hume Highway Upgrade

Mr LIEBERMAN (2.25 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister inform the House of recent developments involving the Hume Highway upgrade at Albury-Wodonga? How do these developments reflect on the management of the project by the Roads and Traffic Authority and the New South Wales government? What action is the federal government taking to protect the Commonwealth’s investment in Australia’s road infrastructure?

Mr ANDERSON—I thank the honourable member for his question. Indeed, it gives me the opportunity to say a little more about the ALP and the management of resources in relation to infrastructure. I think I heard the Treasurer say a little while ago that you should never trust the ALP with money. Now I hear the member for Batman saying that another $306 million would be handy. I will come to that. It is ironic that he should have chosen that particular figure. As the member for Indi and the member for Farrer know, we committed ourselves to an internal bypass project in Albury-Wodonga on the national highway grid on the basis that it would cost about $200 million. In fact, the exact figure was $203 million. But guess what? We do indeed need another $306 million, due to the incompetence of the New South Wales government. Having quoted us $200 million, they now tell us it is going to cost half a billion dollars. It would be very nice indeed for the New South Wales government to have a bit of a look at how they handle it.

Since 1998, the estimate of the Roads and Traffic Authority in New South Wales of $203 million for an internal bypass has blown out to the best part of $500 million. I find that quite an amazing performance. The RTA in New South Wales attributes these blow-outs to scope changes like drainage and noise barriers. But the minister explains it differently, and this reflects the ALP’s capacity to manage money. In a letter to the Border Mail’s editor, the Labor Minister for Transport, Carl Scully, explained the costing bungle—this is from $300 million to nearly
half a billion in seven or eight months—like this:

We ought to understand that in 1992 the price of a litre of milk was 98c. The cost of a loaf of bread was $1.55. A litre of milk now costs $1.31 and a loaf of bread costs $2.34.

That is the explanation from a New South Wales minister. I sincerely hope he never runs a corner store. Under these circumstances, it is little wonder that the federal government questions the transport abilities of the New South Wales Labor government. It is little wonder that I resolved about 12 months ago, particularly after an incident in the member for New England’s seat, that we have to have a close look at the RTA’s performance and how they cost things. In this case, we have now been forced to review the entire project. We have been left with no choice at all and will appoint an independent auditor to oversee any further work that the RTA undertakes on the Hume Highway upgrade at Albury-Wodonga. When you put it all together, when you take the RTA’s performance under Mr Scully’s stewardship and add to it the New South Wales rail transport problems—everything from derailments to disruption on the CityRail network—you have to wonder just who is in the drivers seat and how long they ought to stay there.

**Goods and Services Tax: Advertising Campaign**

Mr MOSSFIELD (2.30 p.m.)—My question is addressed to the Minister for Aged Care. Minister, isn’t it a fact that the government is spending more than $360 million to sell its GST? Couldn’t that money have paid Commonwealth funding for an extra 2,600 nursing home beds, helping our older Australians live with dignity and respect?

Mr SPEAKER—The member for Greenway will come to his question.

Mr MOSSFIELD—Minister, why won’t you spend this $360 million on older Australians rather than on a GST PR campaign?

Mrs BRONWYN BISHOP—I am pleased to tell the House that, as a result of the last budget, an additional $300 million of expenditure will go into new residential places. As well as increased expenditure for dependency, there is a further $66 million of new program spending. I would remind the House that, when we took over, the Labor Party left us 10,000 places short. They are not my figures; they are the Auditor-General’s figures. In this current round, I have announced that there will be 14,777 new places. We are making up the deficit you lost, and we are honouring our commitment to have operational by the year 2002 a complete meeting of the formula that the Labor Party established in 1986 and failed to ever meet.

**Private Health Insurance: Members**

Mrs VALE (2.31 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister inform the House of the March quarter private health insurance figures and the success of the government’s private health insurance reforms?

Dr WOOLDRIDGE—I thank the honourable member for her question. The simple fact is that we have had a fantastic result in the March quarter with the private health insurance figures, with an extra 187,000 Australians taking out private health insurance. This is the largest increase for at least 20 years, probably ever, and it is the fifth consecutive quarterly increase since we introduced the 30 per cent rebate. The good news for the honourable member is that the biggest increase was in the age group of 30- to 34-year-olds, and these are the people who are taking a long-term commitment now to private health insurance.

Since the introduction of the 30 per cent rebate, nearly half a million extra Australians have taken out private health insurance, and today 32.7 per cent of the population is covered by private health insurance. You get credit and compliments from odd places, but I can tell the honourable member that probably the best compliment the government got was last week when a commentator said:

I’ve got to say, well done, because that is a big improvement, better than it used to be and good luck to them.

Thank you very much, Graham Richardson.

**Goods and Services Tax: Advertising Campaign**

Mr LATHAM (2.33 p.m.)—My question is addressed to the Minister for Community
Services. Minister, isn’t it a fact that the government is spending more than $360 million to sell its GST? Wouldn’t that money have provided Commonwealth child-care funding for nearly 16,000 children from low income families? Minister, shouldn’t this $360 million be spent on providing child care for Australia’s families instead of on GST advertising?

Mr SPEAKER—The member for Werriwa will come to his question.

Mr LATHAM—I have finished.

Mr SPEAKER—I call the Minister for Community Services. The Prime Minister.

Mr HOWARD—No, I am going to take this one. I could not restrain myself from saying something about this rather extraordinary proposition that is being advanced in a series of questions by the opposition that in some way the figure of some $360 million is in order to promote, as they call it, in some PR fashion the new taxation system. I want to make it very plain on behalf of the government that we do not apologise at all for spending money to explain the new taxation system. We do not apologise at all. To start with, of the $360 million, $134 million was to provide information on the new GST, the Australian business number and the pay-as-you-go systems.

Mr Costello—Some of which Labor supports.

Mr HOWARD—As the Treasurer interrupts, many of those measures have the support of the Australian Labor Party. There is $200 million provided for the GST Start-up Office, including $150 million for organisation delivered assistance. More than 120 organisations have received funds from this scheme, including the Australian Council of Trade Unions, and they did not send it back; the Australian Catholic Social Welfare Commission; the Australian Taxi Association; and the Tourism Council of Australia. A further $12 million is for the ACCC education program. Over the past few months, there has been a constant pattern of Labor Party propaganda against the GST that there is not enough detail out there and that the government has not explained it to the Australian public.

Mr Crean—Well, you haven’t.

Mr HOWARD—We haven’t, he says now. When attempts are made by the government to explain in detail how this new taxation system will operate, the government is very strongly attacked. Everyone knows that this is the biggest single change to the Australian taxation system undertaken by any government since Federation. In those circumstances, we have an obligation to explain to the Australian public how the new system works. You have absolutely no right to foist on the Australian public a taxation system involving these changes—the biggest change to our indirect taxation system, a huge change to the business taxation system, the biggest ever personal income tax changes, massive changes to the way business operates—

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

Mr SPEAKER—the Prime Minister will resume his seat.

Mr Latham—On the question of relevance, this is child care for the minister, Larry Anthony.

Mr SPEAKER—the member for Werriwa will find that he will be heard when I have recognised him. The member for Werriwa will resume his seat. The member for Werriwa has the call.

Mr Latham—Mr Speaker, I raise a point of order on the question of relevance. This is child care for the minister, Larry Anthony. I want to know about child-care spending—

Mr SPEAKER—the member for Werriwa will resume his seat!

Mr Howard—I can assure the member for Werriwa that there is a lot of information in the campaign about the new child-care benefits; I can assure him. But, in looking at some of the allegations that have been made against the government in relation to this matter, I came across a quote as follows:

For some time the Government has been conducting a public information campaign on various aspects of the tax reform package. Consistent with that duty to keep the public informed about changes in the tax system and administration, the Australian Taxation Office has already produced
television, radio, newspaper and printed material and other items ...

That was uttered in October 1986 by the then Treasurer of Australia—

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell!

Mr HOWARD—who had introduced changes to the taxation system that were absolutely minute compared with these changes. He had been rolled by his Prime Minister on the subject of major change to the Australian taxation system. He had wanted to do then that which we have now had the political courage to do 12 years later.

It is entirely appropriate that, with a change of this magnitude, public funds be employed to explain the detail of the changes. Nothing the Labor Party has said on the subject alters that fundamental truth.

Education: National Investment

Mr GEORGIOU (2.39 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House about Australia’s national investment in education? Is the minister aware of any comments implying that Australia is reducing its national investment in education? What are the facts in relation to this issue?

Dr KEMP—I thank the honourable member for Kooyong for his question. Education spending under the Howard government has reached a record, with $11.6 billion being available for education in this year 2000-01. This represents a boost of some $382 million over the previous year for education expenditure.

I am aware of comments that Australia is, in fact, disinvesting in education. Those comments occurred in the Leader of the Opposition’s reply to the budget speech. He argued that Commonwealth spending on education was 1.8 per cent of GDP this year and had declined from 2.2 per cent five years ago. Mr Speaker, you would have to say that there was a reasonably small chance that this statement by the Leader of the Opposition was correct because, whenever he gives himself over to some factual comment on education, he is invariably wrong.

Mr Crean—You ought to talk!

Mr SPEAKER—The Deputy Leader of the Opposition!

Dr KEMP—We remember the policy that he introduced at the last election campaign that was so bad and so full of errors that the shadow minister for education resigned on the strength of it and went to the back bench.

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition!

Dr KEMP—We remember his recent announcement of the opposition’s goal on education being that 90 per cent of school leavers would have a post-school qualification. That turned out to be a slight exaggeration from the current figure of 12 per cent and it was later revised.

Mr Speaker, when you look closely at the Leader of the Opposition’s figures, you find that they are completely incorrect—that the 2.2 per cent of GDP quoted by the Leader of the Opposition as representing Commonwealth expenditure five years ago included Austudy. Since then, of course, there has been a major reform: the youth allowance has been introduced. The youth allowance was placed in the Department of Social Security; it is no longer in those education figures. That explains the difference between the 2.2 per cent five years ago and the 1.8 per cent today. This was sheer carelessness on the part of the Leader of the Opposition—sheer carelessness.

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell!

Dr KEMP—Where did he get this figure from? He got it from the press release of the member for Dobell.

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell is warned!

Dr KEMP—The member for Dobell presumably got it from the Australian Education Union, Sharan Burrow, Shazza, has now gone on to bigger things, but she has been replaced by Denis Fitzgerald—and Dezza is no more reliable than Shazza was. As a source of information, the Australian Education Union is hopeless. The Leader of the Opposition ought
to know that he should never rely on the member for Dobell for facts about education. He should have had the commonsense to check this figure before including it in his speech. It was not a minor statistic just in passing in the speech; this was the fundamental fact on which the Leader of the Opposition based his claim—his false claim, his fallacious claim—that Australia was disinvesting in education.

Mr Beazley—What is the figure?

Dr Kemp—The correct figure is now 1.9 per cent, not 2.2 per cent. Therefore, there has been essentially no change whatever in the investment in education. Indeed, because GDP has been growing so rapidly, there has been a 15 per cent real increase in Commonwealth spending on education since 1994-95; schools spending has risen as a proportion of GDP from 0.65 per cent to 0.73 per cent of GDP. In other words, the Commonwealth is increasing its investment in education; it is making a massive investment in education. It is the sheer laziness and incompetence of the Leader of the Opposition that led him to base his claims on a completely fallacious statistic.

Goods and Services Tax: Advertising Campaign

Mr Beazley—Mr Speaker, I rise on a point of order, and it again goes to relevance. There is a purpose in asking a specific set of questions as to who has authorised it. We know it is going to be distributed. The point is: who was responsible for the decision—his office, the ministerial council, the Taxation Office itself or some other person? Who?

Mr Howard—Mr Speaker, I rise on a point of order, and it again goes to relevance. A very specific set of questions was asked by me as to whether the origins—

Mr Speaker—Order! The Leader of the Opposition will resume his seat. The Prime Minister has the call and is relevant to the question.

Mr Howard—Mr Speaker, I was asked a question about a mail-out. The answer is, yes, there will be a mail-out, just as there was in relation to superannuation. Was that paid for by the Australian Labor Party? No. There were booklets showing money literally growing on trees. It was one of the most outrageous advertisements ever funded by the Australian taxpayers.

Mr Beazley—Mr Speaker, I rise on a point of order, and it again goes to relevance. There is a purpose in asking a specific set of questions as to who has authorised it. We know it is going to be distributed. The point is: who was responsible for the decision—his office, the ministerial council, the Taxation Office itself or some other person? Who?

Mr Speaker—Has the Prime Minister concluded the answer to his question?

Mr Howard—Yes.

Australia Post: Banking Services

Mr Hawker—My question is to the Deputy Prime Minister and Minister for Transport and Regional Services. I refer the minister to the House of Representatives Standing Committee on Economics, Finance and Public Administration and the report on its inquiry into regional banking which I tabled in March 1999, in particular the recommendation that Australia Post giroPost services be extended to include business banking. Would the minister inform the House what response there has been to my committee’s recommendation?

Mr Anderson—I thank the honourable member for his question and acknowledge his extraordinarily high level of interest in banking, particularly banking services in rural and regional areas, and the work that he and his committee have put into issues pertaining to some of the problems that country people are currently or have been facing in terms of face-to-face services and other
service delivery matters. In that report to which he referred, amongst other things there was a recommendation that Australia Post giroPost services should be extended to include business banking services.

I am very pleased to be able to tell the House that, as a result of a joint pilot scheme between the Commonwealth Bank and Australia Post, a significant number of centres across Australia, such as Merriwa, Bombala, Walcha, Cann River, Mallacoota, Barcaldine, Hughenden, Kingscote, Tennant Creek and Halls Creek—a whole range right across Australia—will in fact now be able to assess the value of that recommendation under which business banking services, including cash and cheque deposits, overnight credits to customers’ accounts, withdrawals and one-stop convenience for bill payment, business and personal banking and postal needs, will be able to be trialled. It is a three-month trial. I am optimistic, as indeed are, I understand, both the Commonwealth Bank and Australia Post, that this will work very well. It offers a lot of benefits. For example, when I opened the pilot at Merriwa a few days ago, I was amazed to see the number of institutions that would receive payments at that post office for their services; they included, as a matter of interest, even the United States embassy.

Let us hope that that new service really does work. It does represent an innovative and practical way of putting into small rural communities much needed services that either have existed and have been withdrawn or have never been there. It offers opportunities for them to hang onto businesses that currently exist, enhance those businesses, and perhaps attract new businesses. So it is the picking up in a practical way of one of the recommendations from the standing committee. I note in passing that, since June last year, we have seen another 50 post office outlets open across Australia—30 of them in rural and regional areas. That contrasts with the last six years of the Labor government when nearly 300 postal outlets were lost. With the addition of new post offices, this new range of services under the pilot program and, of course, the rural transaction centres—there are now some 200 communities involved in that very innovative program put together by the federal government—you can see that there are some very worthwhile enhancements to services developing in rural and regional Australia.

**Goods and Services Tax: Beer**

Mr CREAN (2.51 p.m.)—My question is to the Prime Minister. Prime Minister, last week you claimed your promise that ordinary beer would increase by just 1.9 per cent was in relation to a question from the Kempsey bottle shop and, therefore, did not refer to draught beer. Prime Minister, did you not make the same promise on the Alan Jones program six weeks before the Kempsey bottle shop question, when you said:

Across the board there is virtually no change in relation to alcohol—a tiny CPI equivalent rise in relation to ordinary beer.

Prime Minister, doesn’t this constitute a promise that the price of ordinary beer, including draught beer, would go up by only 1.9 per cent? Haven’t you broken that promise?

Mr HOWARD—No.

**Industrial Relations: Disputes**

Mr SOMLYAY (2.52 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister advise the House of the recent industrial disputes figures for February 2000 and inform members how these figures compare with the level of disputation in the 1999 calendar year? Is the minister aware of policies which are affecting the level of industrial disputation?

Mr REITH—I thank the member for Fairfax for his question. We did have some numbers out in the last couple of weeks on industrial disputes. I would have to say that the February figures are not good numbers compared with 1999 or earlier, so we have been having a look at why the February figures are up.

Mr McMullan—You.

Mr SPEAKER—The Manager of Opposition Business, the minister has the call.

Mr REITH—Ninety-two per cent of the total number of days lost in February can be attributed to three states—Victoria, New
South Wales and Queensland, all of which are Labor states.

**Opposition members**—Oh!

Mr REITH—Well, wait till you hear. The facts tell a pretty stark story. Where were the trouble spots? In Victoria it was the green light the construction industry got and the electricity dispute was part of the problem. That was a failure by the state Labor government. Then in New South Wales there were problems. Where do we find a lot of those working days lost? With the teachers—Shazza’s lot. In Queensland, where were a lot of those disputes? They had a transport dispute with Queensland Rail—again, mismanagement by a Labor government. When you pull out the year figures through to February of this year, again you will see that it is exactly the same problem. There is clearly a pattern emerging. If those increases had not occurred, particularly in New South Wales, 1999 would have actually been better than 1998. Therefore, what we are seeing is a lift in those figures in 1999 and it is all directly attributable to mismanagement by state Labor governments.

I can at least say that in the time that this government has been in office compared with when Labor was in office we still have a lot fewer disputes. It is much better under this government. Under this government the average number of working days lost per 1,000 employees is 78; when Labor was in it was 190 days. Under us it is 78; Labor averaged 190. So it is much better. It is better because we are prepared to stand up and require people to observe the law. Labor’s policy is to do a Queensland, according to the shadow minister. In Queensland you are getting a rise in disputes because you have a Labor government. It just proves, starkly and clearly for all to see, that Labor parties cannot manage these issues and that if you vote Labor you get a higher number of industrial disputes. It demonstrates that if you have weak leadership, which is what we have today—

Mr Beazley—Put your heart into it.

Mr REITH—Well, you can’t even stand up to Craig Johnston. Let’s face it. He pushes you around. They buy you off with $1 million and the consequences are more disputes which wreck Australia’s international reputation.

**Goods and Services Tax: Beer**

Mr CREAN (2.56 p.m.)—My question is again to the Prime Minister. I refer again to your broken promise relating to the GST impact on ordinary beer. Prime Minister, isn’t it true that, if the GST replaced the wholesale sales tax, draught beer prices would rise by less than one per cent? Haven’t you used the GST as an excuse to increase the excise on draught beer, thus forcing prices up by more than eight per cent?

Mr HOWARD—The claim by the Deputy Leader of the Opposition that we have used it as an excuse is wrong and I reject it. It seems to me that the Deputy Leader of the Opposition and others who are critical of the difference between the increase in the price of packaged beer—and I am informed that packaged beer through bottle shops comprises some 70 to 75 per cent of aggregate beer sales in Australia—have overlooked the fact that there is a service component in the delivery of—

Mr Crean—Ha! What about your promise?

Mr SPEAKER—The Deputy Leader of the Opposition has asked his question.

Mr HOWARD—I know the Deputy Leader of the Opposition is programmed to laugh whenever we give a response—this nervous sort of laugh whenever we give a response to his question. But the reality is that there is a service component that does explain the difference.

Mr Crean—Why didn’t you tell Alan Jones that?

Mr HOWARD—And the claim made by the Deputy Leader of the Opposition that—

Mr Crean—Hey? Why didn’t you tell Alan Jones that?

Mr SPEAKER—The Prime Minister will resume his seat.

Mr HOWARD—I have finished, Mr Speaker.

Mr SPEAKER—By any standard it has been the practice of the chair, no matter who the occupant of the chair has been, to give a good deal of leniency to deputy leaders of the
opposition. I ask the Deputy Leader of the Opposition to exercise a little more restraint.

**World Trade Organisation: China**

Mr NEHL (2.58 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of the potential benefits to flow from China’s membership of the World Trade Organisation? In particular, what benefits can our primary producers expect from China’s membership of the WTO?

Mr VAILE—I thank the honourable member for his question and recognise not only the importance to his constituency in expanding our export potential to China but also his interest in China itself. In the last couple of weeks we have seen some significant progress made in terms of moving China towards becoming a member of the WTO. In fact, while I was leading a delegation of 70 Australian businessmen and women to China in the last 10 days, we saw the European Union conclude their market access negotiations with China. Then last week we saw the US Congress pass the PNTR legislation, which finally cleared the last hurdle as far as the US acceptance of China as a member of the WTO is concerned. Of course, once China becomes a member of the WTO, it is going to be worth hundreds of millions of dollars a year to Australian exporters and to the Australian economy in improved market access to that marketplace. Our deal that we negotiated with China that was started by my predecessor, the member for Farrer, was concluded last week when I signed the formal agreement with Minister Shi.

There are some good examples of Australian commodities that will benefit from this deal. For instance, the great Australian wine industry will see greater market access into China, with a reduction in tariffs from 60 per cent to 14 per cent; Australian beef will see reductions from 45 per cent to 15 per cent; butter will see reductions from 30 per cent to 10 per cent; and citrus will see reductions from 40 per cent to 12 per cent. These are very significant in terms of the access that we are getting into that marketplace. Just as importantly, while I was in China I had the honour of participating in a number of agreement signing ceremonies with Australian companies—and not just primary producing companies—in terms of their exports to China. For example, an Australian company based in Newcastle called Long-Airdox signed a major deal worth $10 million for Australian coal washing equipment to be exported to China; Muirfield, a Victorian company, is being engaged to participate in environmental revegetation along the Yangtze River; and Cootamundra Oilseeds has signed a contract worth tens of millions of dollars to provide oilseeds to a market in southern China. These are all important developments as far as Australia’s exporters are concerned.

We have energetically supported the accession of China into the WTO. It seems now that it is definitely going to take place, with the passing of the PNTR bill in the US House of Representatives last week—unfortunately, at the same time as the US House passed a bill to hand out another $7.1 billion to US farmers in domestic subsidies, which will make it very difficult for our farmers in the international trading markets of the world. This is why it is important that we continue to increase the membership of the WTO and to focus on improving the rules and disciplines so that we can bring equity and more discipline into international farm trade in the face of the high levels of unfair support that is provided to farmers by some of our major trading partners. The deal that has been done with China is important, and one that will see us add hundreds of millions of dollars worth of exports to our export effort and provide many more hundreds of jobs in exporting industries across Australia.

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

**Questions on Notice**

Mr MURPHY (3.02 p.m.)—On 15 February 2000, question No. 1153 addressed to the Minister for Immigration and Multicultural Affairs in relation to former senator Mal Colston’s travel movement records first appeared on the *Notice Paper* in my name. As it is now 76 days since the question first appeared, I ask that, in accordance with standing order 150, you write to the minister concerned, seeking reasons for the delay in answering my question.
Mr SPEAKER—I will follow up the matter for the member for Lowe.

Questions on Notice

Mr MARTIN FERGUSON (3.03 p.m.)—Mr Speaker, in accordance with the standing orders, it would be appreciated if you would write to the Attorney-General, seeking an answer to question No. 538 placed on the Notice Paper on 24 March 1999. Further, it would be appreciated if you would write to the Minister for Health and Aged Care, seeking an answer to question No. 827 placed on the Notice Paper last century, on 9 August 1999. I would also seek an answer, although I must say this question was placed on the Notice Paper this century, to question No. 1234 to the Minister for Transport and Regional Services—I know he is busy with the Albury bypass—placed on the Notice Paper on 9 March 2000.

Mr SPEAKER—I will follow up the request made by the member for Batman.

Questions on Notice

Ms ELLIS (3.04 p.m.)—In accordance with standing order 150, I would appreciate your assistance in obtaining an answer to question No. 1243 asked of the Minister for Health and Aged Care on 9 March this year.

Mr SPEAKER—I will follow up that matter on behalf of the member for Canberra as provided under the standing orders.

PERSONAL EXPLANATIONS

Mr HAWKER (Wannon) (3.05 p.m.)—Mr Speaker, I seek leave to make a personal explanation.

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

Mr HAWKER—Yes, I do.

Mr SPEAKER—The member for Wannon may proceed.

Mr HAWKER—Thank you. In the Financial Review of 22 May 2000, there was an article on page 4 headed, “‘Novice’ Federal MPs mix it with the RBA”. It began:

Reserve Bank governor Mr Ian Macfarlane will front a parliamentary committee today—but it is the performance of the committee itself, not of the RBA, which is increasingly being called into question.

It went on to say, naming me:

Mr Hawker admitted that committee members approach their task as novices rather than RBA inquisitors.

I believe this article is quite misleading and it takes points very much out of context. Clearly, the primary focus of the hearings is to make the Reserve Bank accountable, as was formally agreed between the Treasurer, Peter Costello, and the Reserve Bank in August 1996. Furthermore, on the question of the performance of the parliamentary committee at the hearing—

Mr SPEAKER—The member for Wannon must indicate where he has been misrepresented, not where a parliamentary committee has been misrepresented. I call the Manager of Opposition Business.

Honourable members interjecting—

Mr SPEAKER—The Manager of Opposition Business has the call and is being denied the call by the Minister for Forestry and Conservation and by members on his own side, including the member for Maribyrnong, who ought to know better.

Mr McMULLAN (Fraser—Manager of Opposition Business) (3.06 p.m.)—I seek leave to make a personal explanation.

Mr SPEAKER—Does the Manager of Opposition Business claim to have been misrepresented?

Mr McMULLAN—I certainly do.

Mr SPEAKER—The Manager of Opposition Business may proceed.

Mr McMULLAN—During question time, the Minister for Trade contended that the member for Farrer had initiated the WTO entry related negotiations between Australia and China. The fact of it is that in 1994, when I went to China, it was to continue the good work on that matter initiated by Senator Cook.

Mr SPEAKER—I am not sure that the Manager of Opposition Business has been personally misrepresented.

Dr SOUTHCOTT (Boothby) (3.07 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the honourable member claim to have been misrepresented?
Dr SOUTHCOTT—Yes.

Mr SPEAKER—The member for Boothby may proceed.

Dr SOUTHCOTT—In an article in the *Australian Financial Review* weekend edition of 20-21 May, Paul Cleary in an article stated that I had seen the position of the Secretary of the Treasury on the Reserve Bank board as compromising the independence of the Reserve Bank of Australia. I did not make that comment. In fact, I made the comment that the Secretary of the Treasury does provide alternative economic advice to the Reserve Bank of Australia.

**PETITIONS**

The Clerk—Petitions have been lodged for presentation as follows and copies will be referred to the appropriate ministers:

**Goods and Services Tax: Caravan Parks**

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

This petition of certain citizens of Australia draws to the attention of the House the inequitable treatment of long-term mobile home and caravan park residents under the GST.

We believe it is unfair that the government single out long-term residents of mobile homes and caravan parks by imposing the GST on behalf of the residents site fees while ordinary residential rents are not subject to GST.

Your petitioners therefore respectfully request that the House condemn the government for its actions and amend the GST legislation so mobile home and caravan park residents are treated in the same way as ordinary residential renters.

by Mr Edwards (from 115 citizens).

by Mr Horne (from 758 citizens).

by Mr Mossfield (from 26 citizens).

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Your petitioners therefore respectfully request that the House condemn the government for its actions and amend the GST legislation so mobile home and caravan park residents are treated in the same way as ordinary residential renters.

by Ms Hall (from 311 citizens).

**Goods and Services Tax: Caravan Parks**

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain electors of the Division of Charlton draws to the attention of the House their concern about the affect the proposed Goods and Services Tax will have on site fees paid by residents of mobile homes and caravan parks. Most residents of such parks are pensioners on fixed incomes whose limited resources will be strained by the imposition of this tax.

Your petitioners therefore ask the House to give consideration to exempting site fees from the GST or to making concessions that will alleviate the impact of any increases.

by Ms Hoare (from 23 citizens).

**Asylum Seekers: Political**

To the Speaker and the Members of the House of Representatives in Parliament assembled:

We therefore, the individual, undersigned Members of St James’ Anglican Church, Croydon Hills, Victoria 3136 and Members of the Baptist Church, State Kilda, Victoria 3183, petition the House of Representatives in support of the abovementioned Motion.

And we, as in duty bound will ever pray.

by Mr Andrews (from 14 citizens).

by Mr Danby (from 16 citizens).
Goods and Services Tax: Receipts
To the Speaker and Members of the Parliament of the House of Representatives assembled in Parliament.
We the undersigned believe that the GST should be legally required to be shown as a separate item on all receipts.
We do not believe the GST should be allowed to become a hidden tax. Australian people have a right to know exactly what GST they are paying.
Your petitioners request that the House of Representatives do everything in their power to ensure the GST is shown on receipts.
by Mr Bevis (from 28 citizens).
by Mrs Irwin (from 44 citizens).

Goods and Services Tax: Receipts
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.
This petition of certain citizens of Australia draws to the attention of the House that under current legislation the GST will not be included on dockets and that consumers will not know how much GST they are being charged, or whether they are being charged correctly.
Your petitioners therefore request the House that when a business provides a consumer with a receipt or docket issued in respect of a taxable supply the receipt or docket must separately include:
(a) the price of the goods or services excluding the GST;
the amount of the GST; and
the total price including the GST.
by Ms Hall (from 52 citizens).

Goods and Services Tax: Charitable Institutions and Non-Profit Organisations
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:
The Petition of Certain electors of Australia draws to the attention of the House to the unfair burden the GST will place on charitable organisations, particularly:
the increased administrative costs to charities of GST compliance that will force these organisations to reduce service delivery to people in need; the imposition of the GST on fundraising activities that will reduce funds available to provide additional services to people in need; and;
increasing the running costs of many smaller charitable organisations by forcing them to pay the GST on goods and services they buy.
Your petitioners therefore request the House to amend the GST Legislation to remove charitable organisations from the GST net.
by Mrs Irwin (from 201 citizens).
by Mr Morris (from 12 citizens).

Goods and Services Tax: Protest
To the Honourable the President and Member of the Senate in Parliament assembled:
The petition of residents of the nation of Australia draws to the attention of the Senate that:
1. Majority of electors in the 1998 federal election were not in favour of the GST
2. Alternative taxation regimes were not properly considered.
3. I am opposed to the introduction of a GST because such a tax is regressive and unfairly transfers the burden of taxation to those in our community on lower incomes.
Your petitioners humbly asks the Parliament to repeal the legislation known as the A New Tax System (Goods and Services Tax) Act 1999, or to put the legislation to test via a referendum of the people of Australia, and to instigate an inquiry to thoroughly investigate alternative taxation regimes.
by Mr Andren (from 735 citizens).

Mandatory Sentencing Legislation
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:
The petition of the undersigned shows that we strongly dispute the laws established by the Northern Territory Government to implement ‘mandatory sentencing’, for the following reasons:
(a) Fairness: These laws require the judiciary to take no account of individual cases or circumstances. This, by definition, produces unfair outcomes, and has been clearly shown to produce inappropriate punishments. The law exists for the benefit of the people and strict enforcement of the law must always come secondary to fair judgement and appropriate punishment.
(b) Racial targeting: The crimes subject to these laws are crimes committed largely by Aboriginal people. Crimes of greater severity and consequence, that are committed largely by non-Aboriginals, are not subject to mandatory sentencing laws, and there has been no suggestion by the Northern Territory Government that they should be. We believe that this amounts to racial
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targeting, and is intentional. Racial targeting is unconstitutional, illegal, and in breach of the UN Convention on the Elimination of Racial Discrimination.

(c) Effectiveness: These laws will remove minor criminals from society and into jail. Rehabilitation programmes funded by the Northern Territory Government have been shown to be minimal and ineffective. The intention seems to be purely to confine criminals together, without further thought to the consequences of this. As has been common knowledge for many years, the primary effect of the use of jail as punishment is to worsen criminality. People tend to adopt the behaviour of those they associate with. Forcing criminals to associate together reinforces criminality and instils a hostile view of outside society.

We therefore request that Federal Parliament overrule the Northern Territory Government, repeal the mandatory sentencing laws, and require immediate retrial of all persons sentenced under these laws so that they may be treated fairly. Furthermore, we request the establishment of rehabilitation and social intervention programmes to replace and pre-empt the expensive and counterproductive regime of jailing criminals.

by Mr Bevis (from 97 citizens).

Goods and Services Tax: Education
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

The petition of certain citizens of the state of Queensland draws the attention of the House to the damaging impact of the GST on education. The GST will increase the cost of books, school uniforms, shoes, excursions, public transport and extra-curricula activities such as swimming and music lessons.

Your petitioners therefore ask that the House exempts education from the GST.

by Mr Bevis (from 53 citizens).

Kalejs, Mr Konrad
To the Honourable Speaker and Members of the House of Representatives assembled in Parliament:

We, the undersigned, wish to draw the attention of the House to the inadequate investigations to date, regarding the activities of alleged Nazi war criminal, Konrad Kalejs during World War II.

Your petitioners ask that the House ensures that the Australian Federal Police investigate to full extent all available evidence pertaining to Konrad Kalejs' war time activities. And that, the Australian Government fully explains to the Latvian authorities Australia’s new laws on extradition.

Further, that if the Latvian Government fails to apply to extradite Kalejs that the Parliament of Australia legislate to extend changes to the Citizenship Act facilitating a civil process to enable Kalejs' deportation.

by Mr Danby (from 14 citizens).

Dapsone: Testing
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of certain citizens of Australia draws the attention of the House to the need for urgent assistance for Vietnam veterans’ children due to their father’s exposure to 31 toxic chemicals and anti-malarial drug Dapsone during the Vietnam war.

Your petitioners ask the House to support decisions in Volume 3 Validation Study on Morbidity of Vietnam veterans and children, revealing:

- Increased levels of spina bifida in children of veterans
- Veterans’ children’s death rates above those expected based on Australian community standards
- Cancer of adrenal gland in veterans’ children to be further investigated
- Cleft lip/palate in veterans’ children significantly higher
- Suicide rates three times more prevalent in veterans’ children
- Extra body parts not assessed due to no corresponding community data

Therefore, we Vietnam veterans, and women & children request urgent medical, hospital, pharmaceutical and financial aid be provided for Vietnam veterans’ children suffering ill health due to their parents’ service in South Vietnam

by Mr Edwards (from 573 citizens).

Kirkpatrick, Private John Simpson:
To the Honourable Speaker and Members of Parliament of the House of Representatives assembled in Parliament.

We, the undersigned request that John Simpson Kirkpatrick, of Simpson and the donkey fame, be awarded a Victoria Cross of Australia.

Under the Imperial Award system, the award of the Victoria Cross was denied to 'Simpson' as the result of an error in the original application. A second application, in 1967, was also denied as the British Government claimed a dangerous
precedent would be set, in spite of such a precedent already existing.

Your petitioners request that the House of Representatives do everything in their power to ensure the appropriate recognition of John Simpson Kirkpatrick.

by Ms Hall (from 74 citizens).

Health: Podiatry Services for Diabetics:
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of electors of the Division of Paterson draws to the attention of the House the need for diabetics to regularly access podiatry services and the enormous costs associated with accessing that service in the long term.

We believe that because many diabetics need regular check-ups to ensure the health of their feet, and that diabetes can often cause damage to, and even amputation of feet, the Government should ensure adequate levels of access to podiatry services for diabetics. Better access to podiatry will mean cost savings in the long term.

Your petitioners therefore pray that the House recognises the special problems that diabetics face and takes action urgently to meet their needs.

by Mr Horne (from 810 citizens).

Nursing Homes: Conditions
To the Honourable the Speaker of the House of Representatives and the Senate.

The Petition of members of the Combined Pensioners and Superannuants Association brings to the attention of the House their concern about the conditions in Hostels and Nursing Homes for the Aged.

We are not referring mainly to the shocking cases that have recently been exposed in the Press. We know from our contacts with old people, friends and acquaintances, how unsatisfactory the situation is in many of the homes. Old people who are sick or not strong enough to look after themselves need a great deal of care from those who are specially trained to give it. They are often in homes because their relatives have not the strength and skill to manage. Untrained casual staff cannot ‘be expected to manage. We are aware that many nursing homes do not have sufficient trained staff to cope with the needs of patients.

We understand that the Government gives substantial sums to the hostels. Since the Government has deregulated the industry the Homes no longer have to account for the manner in which they spend this. In some cases the main aim seems to be to make a larger profit. It is clear that self-regulation is not working in the interest of the residents.

The undersigned petitioners therefore ask the Legislative Assembly to ensure that the Government specifies a certain percentage of the subsidy which is to be spent on the employment of sufficient suitably trained and paid nursing staff. We ask that frequent checkups then be made by the departmental officers to ensure that this condition is being met.

by Mr Howard (from 45 citizens).

Genetically Modified Food: Labelling
The Hon The Speaker and Members of The House of Representatives assembled in Parliament.

We point out to the House that it is imperative that all labelling of Genetically-modified food should state the products used in the manufacturing process. It is requested that no manufacturer be granted any exemption. The members of CPSA and all older citizens are alarmed by the reaction these genetically-modified ingredients could have on their medication. This petition therefore requests the House to take the necessary action to ensure that any product used in genetically-modified food is clearly stated on the label.

by Mrs Hull (from 56 citizens).

Goods and Services Tax: Books
To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

We the residents of the State of Western Australia would like to draw the attention of the House to the severely detrimental effects a GST on books will have on literacy, education and culture in Australia. As readers, writers, students and/or parents we believe a tax on books to be a backward and inequitable step and ask you to reconsider this decision.

Your petitioners therefore ask the House to remove a GST on books.

by Dr Lawrence (from 6162 citizens).

Commonwealth Dental Health Program
To the Honourable the Speaker and members of the House of Representatives assembled in Parliament:

The electors of the NSW Electorate of Richmond comprising the Tweed region draws to the attention of the House their deep concern and disappointment about the abolition of the Commonwealth Dental Health Program by the Howard Government in 1996.

The abolition of the Commonwealth Dental Health Program has left pensioners and many
people with no means of receiving affordable, preventative dental health care.

We, the undersigned, ask the House of Representatives to re-establish the Commonwealth Dental Health Program immediately.

by Ms Macklin (from 330 citizens).

Sexuality Discrimination: Legislation

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament:

The Petition of certain citizens of Australia draws to the attention of the House the Sexuality Discrimination Bill (SBD) which is expected to be introduced into Parliament in the near future. In particular, the petitioners wish to alert the House to concerns that this legislation will:

. Whilst granting special rights to homosexuals, take away significant rights from the majority of Australians.
. Force citizens to employ/tolerate homosexuals and their activities - where this is contrary to their beliefs.
. Further validate homosexual partnerships and pave the way for same-sex marriage and adoption rights.
. Burden proof on employers, churches, schools, etc, as to why they should be exempt from this legislation.
. Not exempt groups receiving government funding and thus force compliance under threat of loss of funds.
. Override States’ rights, invalidate existing laws and put Australia at the mercy of international treaties.
. Curtail freedom of speech in churches when proclaiming scriptural truth on issue of family, sexuality, etc.

Your petitioners therefore humbly pray that the House reject the Sexuality Discrimination Bill in its entirety and thereby protect the status and rights of the vast majority of Australians.

by Mr McGauran (from 21 citizens).

Griffith Electorate: Telecommunications Towers

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

This petition of certain citizens of Australia draws to the attention of the House the concerns of residents of Camp Hill, Queensland in respect of the planned installation of communication facilities in a residential area, namely, at 520 Old Cleveland Rd, Camp Hill.

The petitioners further draw to the attention of the House that residents were not formally advised of the proposal to install the facilities, and were provided with no opportunity to register their concern. The petitioners further note that neither Schedule 3 of the Telecommunications Act 1997 nor the Telecommunications Code of Practice 1997 contain any requirement for carriers to communicate information on a proposed low-impact installation to residents in proximity to the installation, nor is there provision for residents to access any consultative or appeal mechanism.

Your Petitioners therefore ask that the House require the Minister to:

a) direct the One-Tel telecommunications company to terminate its proposed construction of communication installations at 520 Old Cleveland, Camp Hill; and
b) amend the Telecommunications Act 1997 to include provisions requiring communications carriers to formally notify residents in the vicinity of an installation of its proposed construction, and institute an appeal mechanism whereby residents are able to register objections on the basis of a communication installation’s impact on the amenity of the area and potential health risks.

And your petitioners, as in duty bound, will forever pray.

by Mr Rudd (from 937 citizens).

Mandatory Sentencing Laws

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The Petition of certain citizens draws to the attention of the House the issues confronting the Australian nation with respect to mandatory sentencing. We believe that the Federal Government has a legal and moral obligation to exercise its constitutional power to pass uniform Federal legislation banning mandatory sentencing laws in this country.

Mandatory sentencing breaches international human rights standards, is inconsistent with the doctrine of separation of powers, is leading to manifestly unjust results, is not cost effective, is not contributing to the prevention of crime and is impacting with disproportionate and devastating results on Aboriginal people and children. Both the Royal Commission into Aboriginal Deaths in Custody and the UN Convention on the Rights of the Child advocate detention as a measure of last resort.

We respectfully urge the House of Representatives to accept responsibility for ending this human rights abuse in our country and to pass uniform
Federal legislation which bans mandatory sentencing laws.

by Mr Snowdon (from 3197 citizens).

Goods and Services Tax: Emergency Beacons

To the Honourable the Speaker and Members of the House of Representatives assembled in Parliament.

The petition of the residents of the State of Western Australia draws to the attention of the House that there is an urgent dire need for the Federal Government to adopt the principles of common sense and equity and to thereby exempt EPIRBs from Sales Tax or the Goods and Services Tax because of the need to reduce the cost of these important life saving devices for the owners of recreational fishing vessels and off-road motor vehicles who are unable to claim the cost of these lifesaving devices as a tax deduction.

Your petitioners therefore pray that the House will put the safety of the owners and users of recreational fishing vessels and off-road motor vehicles ahead of the meagre sums that will be derived through continuing with a policy of taxing lifesaving EPIRBs.

by Dr Washer (from 127 citizens).

Department of Defence Property Sale: Mentone Scout Group Hall

To the Honourable the Speaker and the Members of the House of Representatives assembled in Parliament.

We the residents of Australia draw the attention of the House to the impending sale by the Department of Defence of Chiquitta Reserve, Levanto Street, Mentone, upon a portion of which, the Mentone Scout Group has its Scout hall.

There has been an active Scout group occupying the Scout hall for over 25 years, providing valuable youth training to boys and girls of this area, and maintaining the hall all that time.

Your Petitioners therefore request the House to direct the transfer of die land occupied by the Mentone Scout Group hall, to the Scout Association.

by Mr Wilton (from 1190 citizens).

Petitions received.

PRIVATE MEMBERS BUSINESS

Aboriginals: Reconciliation

Ms HOARE (Charlton) (3.12 p.m.)—I move:

That this House:

(1) supports Reconciliation Week and the reconciliation process;

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

(3) further commits the House to continue to foster true reconciliation between all Australians.

I respect that the national parliament meets on the grounds of the Ngunnawal people, the traditional owners of this land. I acknowledge the culture of the Ngunnawal people and their contribution to life in this region. Reconciliation Week 2000 is the fifth annual national reconciliation week and the last reconciliation week in the life of the Council for Aboriginal Reconciliation before moving on to a future as the Peoples Movement for Reconciliation. It is also nine years since the establishment of the Council for Aboriginal Reconciliation.

This week contains important anniversaries in the history of the struggle for Aboriginal rights. May 26 marks the anniversary of the tabling in this parliament of the Human Rights and Equal Opportunity Commission’s Bringing Them Home report, which details years of sexual, physical and emotional abuse of Aboriginal children forcibly removed from their families. 27 May is the 33rd anniversary of the 1967 referendum in which more than 90 per cent of Australians voted to give the Commonwealth the power to make laws for the Aboriginal people and for Aboriginal people to be counted in the census. This Saturday, 3 June, marks the anniversary of the High Court’s Mabo judgment in 1992, which recognised the native title rights of Aboriginal and Torres Strait Islander peoples and overturned the idea of terra nullius. It is also 212 years since the arrival of the British and the beginning of the destruction of the culture and traditional lifestyles of the nation’s first peoples.

This year the movement towards reconciliation began with the celebration of Corroboree 2000 over the past weekend. ‘Corroboree’ is a word in the language of the Darug people from the Sydney region. ‘Corroboree’ refers to a group of ceremonies, in-
cluding public performances of songs and dances covering the whole social, economic, legal, political, religious and cultural life of the Darug people. All Aboriginal clans had similar, highly developed ceremonial arrangements to allow their societies to operate in a complete way. Corroboree 2000 began on Saturday with the arrival of the reconciliation document at the Opera House. I am sure no Australian with a social conscience could deny being moved as Glen Kelly, the Aboriginal boxer, brought the document from the boat which landed at the Man o’ War steps and handed it to Nartarsha Fay, and also as the children then passed around copies of the document. The handing over of the reconciliation document provided an opportunity for our nation’s leaders to say sorry to Aboriginal people for the past injustices which they and their forebears have suffered because of the policies of previous governments. But yet again the Prime Minister could only express sorrow and regret. The opportunity was lost, but I hope there will be further opportunities in the future.

The walk for reconciliation over the Sydney Harbour Bridge yesterday was an absolute watershed. It was a demonstration of the strength of the people’s movement for reconciliation, bringing together Australians of all backgrounds, of all ages and from all walks of life. Never before in our country’s history has there been such a show of solidarity on such a moral social issue. There have been reports of more than a quarter of a million people walking the walk yesterday in Sydney and in many more bridge walks in other parts of the country. As I stood at the entrance to North Sydney railway station yesterday and watched an absolute river of people pouring out of the station and onto the bridge, I was proud of the diversity of the walkers of all nationalities. There were young and old people. There were frail people. There were people in wheelchairs. There were babies being pushed in prams and toddlers on the shoulders of adults. There were people carrying Aboriginal flags, Australian flags and flags of all variations in between. There were people waving the banners of various political parties. There were groups from Rotary, from schools, from churches, from trade unions, from gay groups and from geographical communities. They were all there to walk the walk towards reconciliation. There were also colleagues. There were members from both sides of this parliament. I congratulate and applaud those government members who had the fortitude and the morality to walk the walk yesterday and not just talk the talk. The bridge walks were a groundswell of movement to bridge the divide of disadvantage between indigenous and non-indigenous Australians. The reconciliation process seeks to narrow that divide until it does not exist at all.

There are practical means of government intervention to address indigenous disadvantage in the areas of health, housing, infrastructure, life expectancy and infant mortality, access to government services, incarceration rates and education levels. The list goes on. But, as was emphasised yesterday, true reconciliation requires the human factor; it requires the process of the heart—the emotional process which will lead us all towards the healing process. It requires the acknowledgment of past wrongs, tragic as they were: the massacres which occurred and the stealing of indigenous children, ripping them from their mothers’ arms in a thankfully failed attempt at genocide. One Aboriginal lady interviewed during the celebrations yesterday spoke of how proud she was to see the show of support for indigenous Australians and the reconciliation process. For too long indigenous Australians have felt isolated and alone in their struggles. For too long indigenous Australians have tried to strengthen their communities, to maintain their dignity, to right the wrongs and to maintain their culture in what has seemed like a vacuum. As this lady asserted yesterday, they are not alone. The majority of Australians support them in their struggles, and we will do what we can to forge a less rocky and uneven path to reconciliation and true equality between all Australians.

For too long these processes have been perceived by the wider community as being elitist. There have been processes which have belonged to the parliaments, and the reconciliation debate is one which has been pursued at national levels between national leaders, both indigenous and non-indigenous.
Throughout this time, ordinary Australians, both indigenous and non-indigenous, have wanted to be part of this process. The debates have raged in living rooms and workplaces, and finally yesterday all these Australians were given that chance to participate. Many of my friends over the past years have asked me what they can do for the reconciliation process. The people’s walk has provided one avenue.

I was astounded to hear Minister Ruddock this morning say that Corroboree 2000 and the people’s walk could not have happened were it not for his government’s support. I am afraid that Minister Ruddock got it wrong. The people’s walk went ahead without significant federal government support and was a success beyond anybody’s wildest dreams. However, it could not have been such a success were it not for the Council for Aboriginal Reconciliation and the commitment and the work that they have done over the past nine years to achieve this particular process. We are only in the midst of it—we have a long way to go yet to achieve reconciliation. And in the words of Evelyn Scott on Saturday:

We extend our hands to other Australians.

Those Australians who take our hands are those that dare dream of an Australia that could be.

In true reconciliation, through the remembering, the grieving and the healing we can come to terms with our conscience and become as one in the dreaming of this land.

What a rich and valuable heritage to leave our children—a 56,000 year culture, thriving in a country at peace with its conscience.

Will you take our hand?

Will you dare to share our dream?

**Mr DEPUTY SPEAKER (Mr Nehl)**—Is the motion seconded?

**Mr LIEBERMAN (Indi)** (3.22 p.m.)—I have pleasure in seconding the motion. This is a very important motion. I congratulate the member for Charlton for moving it and thank her for giving me, on this side of the House, the opportunity to second the motion, which I have. In the last two days there has been a coming together of many emotions and many people. I think we would all agree that the success of reconciliation is an absolute imperative for all Australians and that all of us in our various ways—whether we be in parliament or not in parliament, in business or otherwise, retired, wherever we are—will have to work very hard and in a very concerted way in a partnership to achieve true reconciliation. As the Prime Minister correctly said, the movement itself and the success of reconciliation is about people and bringing people together. It will be by people, not governments. But parliaments, governments and oppositions can help the process. Indeed, it is our duty to do that. I was very proud to support the Prime Minister last year when the House unanimously supported his motion that both houses of parliament endorse the Commonwealth government’s motion of reconciliation. The parliament then expressed its:

... deep and sincere regret that indigenous Australians suffered injustices under the practices of past generations, and for the hurt and trauma that many indigenous people continue to feel as a consequence of these practices ...

The House reaffirmed, on the Prime Minister’s request, a:

... wholehearted commitment to the cause of reconciliation between indigenous and non-indigenous Australians as an important national priority for all Australians ...

We must renew our commitment and ensure that as the years go on the processes of the weekend are rewarded with a sharing of dreams and giving to all Australians a sense of security and equality—equality before the law for all Australians, equal rights, free of racism and bigotry—and of equal opportunity. We know that many of our indigenous Australians do not have that equal opportunity at the moment. They are disadvantaged in their employment, training, education, housing and health. That is something that the Howard government is working very hard on. I know other governments of other colours have done that too in their various ways. It is learning process.

I remember as chairman of the House of Representatives Committee on Aboriginal and Torres Strait Islander Affairs we had the privilege of inquiring into the situation of Torres Strait Islanders, and we brought forward a report called *Torres Strait Islanders:*. 
a new deal that recommended extended autonomy for our Torres Strait Australians. That report has been substantially endorsed by the government—and, I understand, by the opposition—as an example of what can be done if we all work together.

I noticed the use over the weekend of the term 'self-determination'. Having been involved in an inquiry into increased autonomy for the Torres Strait Islanders, I will just read briefly from the report of the committee in dealing with Torres Strait autonomy; I mention these words because I hope that they will stimulate some debate as to what the real focus should be, that is, improved autonomy for all Australians, indigenous and non-indigenous. We wrote in our report that there are various meanings of autonomy and potential benefits which might flow from greater autonomy. Autonomy means different things to different people, with definitions variously focusing on political, structural, economic and cultural themes. The term is commonly used to mean enhanced self-government within Australia. That principle has been warmly endorsed by everyone. I remember very well the people of the Torres Strait Islands telling me that they wanted autonomy, more self-government, more say over their local affairs and their own lives—just like anybody else—but they wanted to remain Australians and they wanted to remain very strongly part of Australia. From my learning with indigenous people—and I have a lot to learn, but I am fascinated by the contact I have had with my indigenous friends—they too want to remain very much part of Australia, to be one nation, to work with fellow Australians.

I reflected on Sir William Deane’s words when he said that Aboriginal people are dealing with a lot of problems, including substance abuse and other abuse and problems which flow from them, that are largely the consequences of the injustices of the past. I know that there are many Aboriginal parents, indigenous parents, in Australia who could share experiences with and help many non-indigenous parents in Australia whose children are also into substance abuse at the moment. The problem of substance abuse applies to indigenous and non-indigenous Australians, sadly. We have young people dying in the streets from heroin overdoses. They are mostly non-indigenous Australians, as far as I can see. So we have a lot of challenges in common as parents, indigenous and non-indigenous, that we can share.

It is impossible in the time we have to cover all of the aspects of this motion, but I would like particularly to pay a warm tribute to Evelyn Scott and to her chairman, Sir Gustav Nossal, and the members of the council, who for 10 years have worked very hard to assist Australians to come together and deal with the complex issues involving the past and to weld them into the future. I, for one, am a strong advocate and will continue to work as hard as I can to help achieve for indigenous communities their right to run their own affairs. I happen to believe that governments have intermeddled too much and to the detriment of indigenous people. I strongly believe in giving local indigenous communities the same empowerment as people in the city of Wodonga, where I live, where we have the right to choose our own councillors and councils under local government law, have delegated laws and quite extensive powers. They are elected by the people and removed by the people. Why cannot a similar concept be available for indigenous people? Sadly, white Australians have made many mistakes in imposing structures of administration and levels of government unnecessarily and holding back the indigenous people.

So I am going to continue to work quite passionately to help empower our indigenous friends with the same rights and responsibilities, mutual responsibilities, as other Australians have in their own community and that some take for granted. I think we should do very well there. I am reminded that I came across a business that had been bought for indigenous people with a loan and a grant from the taxpayer. The loan was about to be paid off; it was a successful business. I asked the directors were they now going to pay the dividends from the profitable business to the community for scholarships, for the Aboriginal kids and to help programs on housing. They said, ‘No way. We are going to buy another property, borrow against it and there-
fore use all the income to pay off the other property so that we do not have to distribute.' I asked, 'Why not?' They said, 'Well, they are not ready. The Aboriginal people are not ready for it.' I was shocked, amazed and angry to hear that sort of nonsense. So there are a lot of challenges out there that I think we can together help each other on. The basic ingredient for success, of course, is respect: giving people equal rights and giving people the opportunity to be responsible. I sometimes say that to let people make their own errors and mistakes, as we all do, is a growing experience and one of the greatest things that you can do. I believe that indigenous Australians are more than ready and more than well qualified to take up the opportunities that are there, and we should help as much as we can to accelerate that process.

Mr QUICK (Franklin) (3.31 p.m.)—I am delighted to speak today to the private member’s motion on reconciliation of the honourable member for Charlton. When a quarter of a million Australians crossed the Sydney Harbour Bridge yesterday, they were taking a public stance on reconciliation that will not be ignored. Add to their number countless others throughout the country who support the spirit of true healing and you see a growing wave of hope for a better future for all Australians. It is time for all of us to face up to the reality that Australians must work together to ensure that this country and all its people move forward together.

Our rich cultural heritage, starting with the ancient traditions of this country’s original people, has grown and blossomed into the fertile and diverse society that we know today. The thread of Aboriginal history runs through the fabric of what has become Australian modern society. This has been further enriched by the inclusion of the many diverse cultures that have been interwoven with the original over the past 200 years. It is encouraging that non-indigenous Australians are beginning to value what has been here all along and that we are finally opening our eyes and, as Sunday demonstrated, our hearts also. We are all the richer for it.

We now have a unique opportunity to right the wrongs of the past. Sunday’s stunning vote of support cannot and will not be forgotten. Australians are ready to take the next step. Our leaders had better get their act together from now on and embrace policies that will ensure that all Australians get a fair share of this country’s generous bounty. That our Prime Minister could not bring himself to participate in the public stance taken by huge numbers of this country’s citizens is, in my mind, a sad reflection of his views, but history and his God will judge him accordingly. In a democracy, however, it is the wishes of the people that will finally win the day. As the member for the Tasmanian electorate of Franklin, I have enjoyed the privilege of being involved with many aspects of the local reconciliation process. I congratulate all involved for their commitment and hard work.

It is almost incomprehensible today that my generation of schoolchildren were taught that Aboriginal issues hardly related to Tasmania. This was because it was believed that there were few Aboriginal people residing in the state following the planned genocide of the indigenous population by the white settlers. The fact that such an attempt to destroy a whole society occurred on such an appalling scale is something that today’s Tasmanians are still coming to terms with. The fact that there are thousands of Aboriginal Tasmanians is now an accepted reality. It is a reality that links Tasmanians with all Australians, and Tasmanians are showing as strong a commitment to the process of reconciliation as are their fellow Australians on mainland Australia.

I have been overwhelmed by the spirit of goodwill that prevails wherever expressions of reconciliation are demonstrated, especially in our schools. This is surely where our hopes for a future united, tolerant and reconciled Australia lie—with our young people. Bigotry and intolerance are not inherited; they are learned. Our young people need to be taught citizenship, and that is the responsibility of all adult Australians. Just as the principal sets the tone of a school, so is the tone of the nation set by its federal government. In a democracy, elected leaders must reflect the beliefs and values of the people. The people spoke on Sunday and it is now up to this country’s leaders to sit up, take notice and act in the way that is expected of them.
Governments must reflect the vision of their people. The people spoke on Sunday, and our leaders would be foolish indeed to ignore such a powerful message.

Mr BAIRD (Cook) (3.36 p.m.)—I thank the member for Charlton for bringing this motion to the House and congratulate her on the motion. I was one of the 250,000 people who walked yesterday, and I must say it was a particularly moving experience. It was one where the community came together from all walks of life with one purpose, that of showing their desire for reconciliation with our indigenous population, putting behind us the wrongs of the past and looking for a future when we can work together and live together in an atmosphere without the racism that we have experienced in the past. Despite the claims by many that we live in a very material world, it was very encouraging to see that Australians have got a strong spiritual dimension and concern for others that is particularly encouraging for those who work in this place.

Through the member for Charlton’s involvement in the House of Representatives Aboriginal and Torres Strait Islander Affairs Committee’s inquiry which resulted in the Unlocking the future report into Aboriginal and rights, she has shown she can set aside ideological difference to contribute to a unanimous report which reflects the compassion of most members of this House. Such parliamentary engagements are very positive. Conversely, to join such a debate as this and seize upon it as an opportunity to engage in partisan politics is a truly painful exercise which demeans us all. The Council for Aboriginal Reconciliation’s Corroboree 2000: Towards reconciliation document summarises reconciliation between Australia’s indigenous peoples and all other Australians as ‘about building on the strengths of common ground ... a process which requires goodwill’.

The reconciliation process I support is not a platform for political point scoring. It is not a chance to trumpet my government’s record spending over the opposition’s, although it has been significant. It is not a sorry debate about whether one’s ‘deep and sincere regret’ goes far enough. The process I support is one of true reconciliation. No-one doubts the genuine commitment to reconciliation of Evelyn Scott. As the new head of the Council for Aboriginal Reconciliation following the departure of Patrick Dodson, Evelyn Scott has brought a new, less combative style of leadership to the council. As a person who has worked in Aboriginal health and medical services for over 30 years, she has demonstrated commitment to the ends of true reconciliation, as the member for Indi has commented. Hers is a dignified style of leadership, which aims to raise bridges rather than to burn them down. Her leadership is not one of inflaming political argument but building on consensus to advance reconciliation to work towards economic independence and achieve better outcomes in health, education, employment, housing, law and justice. The massive turn-out on Sunday proved her success in building support within the community for reconciliation and its two documents—the Australian declaration towards reconciliation and Roadmap for reconciliation. Australian declaration towards reconciliation and Roadmap for reconciliation is an excellent document. It confirms the important place of this land’s first inhabitants and allows descendants of original invaders to own up to the wrongs of our forebears’ forced colonisation and subsequent human rights abuses. In response to White Australia’s commitment to equality of opportunity and of outcome for Aboriginal Australians, the indigenous population dedicates itself to self-advancement and the acceptance of its own responsibility for its own destiny.

Roadmap for reconciliation contains important points on sustaining the reconciliation process: the promotion of indigenous rights through educative, legislative and constitutional reform; and overcoming disadvantage and achieving economic independence. I would urge all Australians to read and consider these documents carefully. On Roadmap, I make these points: firstly, the best way to sustain this important process is to stick to the inclusive, partisan-neutral style of the council’s present chair; secondly, addressing parliamentary representation is best achieved in the short term through the achievement of statehood by the Northern Territory, which would give its large indigenous population appropriate representation;
thirdly, while the 1967 referendum assured equal voting rights in Commonwealth law, the remaining section 25 of our Constitution is not acceptable as it reads as tacit approval for race discrimination in state electoral practice; and, finally, people should not be overly concerned about allowing magistrates’ discretion to take into account customary law. This involves situations where all those involved in a matter are of indigenous background and where the crime took place within an indigenous community which is bound together importantly by customary laws. I commend both documents to the House and also the member for her motion.

Mr DEPUTY SPEAKER—Order! There being no further speakers, the debate is adjourned, and the resumption of the debate will be made an order of the day for the next sitting.

International Trade

Mr ST CLAIR (New England) (3.40 p.m.)—I move:

That the House:

(1) notes the crucial importance of international trade to the ongoing growth of the Australian economy, particularly in rural areas;

(2) commends the Government for the ongoing development of bilateral trade with more and more countries;

(3) urges the Government to continue its efforts to use sanitary and phytosanitary protocols to gain increased access of Australian agricultural and horticultural products to Korea, Taiwan and China; and

(4) commends Australian agricultural producers for their ongoing efforts to secure such market opportunities.

I have great pleasure in moving the motion on international trade as it really is a vital driver of Australia’s economic prosperity and continued growth, especially in rural and regional Australia. It boosts our living standards by focusing on producing what we are best at and trading this for goods and services we want and need. The contribution of trade to the economy has been growing steadily. During the 1990s, exports and imports increased as a proportion of GDP from around 30 per cent to well over 40 per cent. Today more and more jobs depend on trade. One in five jobs depends on exports—as many as one in four in rural and regional Australia.

Two-thirds of our agricultural production is exported along with 90 per cent of minerals and energy production. Australia has also increased its manufacturing and service exports, leading to diversification of our overall export base including in regional Australia. It is estimated that a 50 per cent reduction in protection globally would deliver an economic boost to Australia of more than $7 billion per year. It has also been estimated that gains from trade liberalisation since 1986 have provided the average Australian family with well over $1,000 extra per year.

The Market Development Task Force, located within the Department of Foreign Affairs and Trade, coordinates efforts of a number of portfolios on Australia’s bilateral market access and market development priorities. The MDTF focuses on high priority, short-term opportunities and, since mid-1999, has contributed to significant results in key markets. These include access to the EU market for high quality beef, maintained through high level consultations and negotiations in November 1999 on the nature of Australia’s meat inspection regime. That is very important to New England, where we have a large export abattoir for the EU. Substantial trade opportunities were achieved for Australian wool—again, very important to New England—in India following the announcement on 13 March this year of a reduction in the tariff for wool tops from 35 per cent to 20 per cent and for wool yarn from 40 per cent to 20 per cent. In Saudi Arabia, two trial shipments of live sheep were successfully concluded in January and March this year. There were exports of $6.5 million of mining equipment, technology and services to Indonesia between July and December last year.

Positive developments in these sectoral efforts during 1999—and I would like to give these examples; it is important to get them on the record—included the following. Meat inspection charges proposed by the Thai government on Australian beef imports were avoided following representations indicating
their potential inconsistency with World Trade Organisation obligations—estimated by the beef industry to save Australia nearly half a million dollars each year. Austrade actively promoted Australian exports in the last 12 months by identifying opportunities and providing advice, information and end-market services to Australian companies. Austrade and DFAT, working together, had a number of promotion successes. Among the highlights in 1999 was that 29 Australian companies were represented at the ANUGA 99 food trade show in Germany, leading to $5.5 million worth of sales and, over the next 12 months, a further $62.3 million is anticipated.

One of the important roles of the Australian Quarantine and Inspection Service is in helping Australian commodity exporters crack open markets worth hundreds of millions of dollars. In opening markets, AQIS relies on the international trade rules on quarantine adopted by the WTO in 1995 and embodied in the Agreement on the Application of Sanitary and Phytosanitary Measures, commonly referred to as the SPS agreement. This agreement affirms members’ rights to apply the measures necessary to protect the health and safety of food, plants and animals as long as these measures are scientifically based and are not used as disguised restrictions on trade. The SPS agreement is important to Australia because of our extensive interests in exporting agricultural products. Using the scientific principles embodied in the SPS agreement, AQIS has worked closely with Australian industry and quarantine ministries in other countries to increase Australia’s agricultural exports. These market access gains include the following. AQIS and industry worked together to gain acceptance from Singapore that its ban on imports of chilled pork was not technically justifiable and, as a result, Australian exports of chilled pork to Singapore are now worth about $70 million a year. China will now accept exports of Australian cattle, ostriches and apples from Tasmania. There are many more. In Australia’s view, a multilateral trade round securing the liberalisation of agriculture, manufactures and services offers the best opportunity to rectify imbalances in the international trading system.

Although the World Trade Organisation meeting in Seattle failed to launch a new round, progress was made by Australia and its Cairns Group partners in bridging the differences on many agriculture related issues, including the movement towards the elimination of export subsidies, reducing domestic support, avoiding the protectionist banner of multifunctionality and pursuing market access negotiations at the broadest level of liberalisation. It is pleasing to note that this government is seeking to reinforce this progress through the first phase of WTO negotiations on agriculture currently under way in Geneva.

**Mr DEPUTY SPEAKER (Mr Nehl)**—Is the motion seconded?

**Mrs Hull**—I second the motion and reserve my right to speak.

**Mr KERR (Denison)** (3.47 p.m.)—As the member who was once the sole Labor member for Tasmania, representing a wide range of what I saw to be complex social responsibilities, including the rural sector, I feel quite happy to be speaking on this subject because I believe that we have to have a serious debate about trade. We have to have a serious debate about where trade fits in with our social and economic responsibilities. There is certainly a very real sense that we need to look at measures now which go beyond simply the rhetoric of free trade. That is not to say that free trade is not an essential element of any successful strategy for international economic growth, but it is not all that is required. The foundations now need to be built for an international consensus that goes to new mechanisms that will support an international consensus on fair trade. Fair trade means recognising that we need to have market openness, but we also have to have a community which is able to see that international commerce will not ignore issues such as growing inequality between nations and within nations as the consequences of unfettered and unregulated changes in wealth emerge as a result of shifts driven by trade.

We have to recognise also that there is an increasing call for the mandating of minimum labour standards and minimum social standards. Across the board we need to ensure that we do not allow there to be the
erection of artificial barriers to trade through measures that go to quarantine but which are essentially structured to prevent trade occurring on a fair basis. Nonetheless, there are legitimate concerns in different parts of our community about the impact of what people see as grave risks. In my own state of Tasmania, the salmon industry have strongly and persistently put forward the view that their interests were insufficiently served by the way in which the national government advocated the protection of that state’s salmon interests when it came to the possibility of diseases. Of course, the resolution that we are discussing today urges the government to continue its efforts to use sanitary and phytosanitary protocols to gain increased access for Australian agricultural and horticultural products to Korea, Taiwan and China. These are measures which I have no problems at all in supporting.

Nonetheless, I think it is crucial for us to acknowledge that no longer is it sufficient for those who advocate openness in the trading system simply to assume that they can carry the community with them without making the case that carries the majority of the community along with them and convincing them that their interests are not being ignored. Far too often, we have seen those who have come to fora such as the World Trade Organisation, which stalled with the OECD and the Multilateral Agreement on Investment, or negotiations such as that pretending that issues touching the whole of the international community are not important—that is, issues about equity, issues about distribution, issues about minimum standards and social and labour standards and issues about ensuring that people feel that their local interests, the protection of the cleanliness of their environment and all those things that we know citizens are concerned about are not ignored.

I am happy to speak on this motion. I certainly do not dissent from the sentiment in it, but I think it is time for us to start having much wider debate about trade. It is no longer good enough to simply say that trade is a good which the whole of the community will accept. Those of us who believe in open trade need to make a sustained intellectual case and need to start developing international institutions which are responsive democratically to people not just in this country but in all countries so that the gap between those who make the decisions and those who have decisions impacting upon them is not as large as it is now. At the moment, there is a real sense that most of us are powerless and not heeded in the decisions that are being made in international fora.

Mrs HULL (Riverina) (3.53 p.m.)—The member for New England has put forth in a brilliant fashion every good reason why international trade is vital to Australia’s economic prosperity and continued growth, particularly in rural and regional Australia. The member for New England correctly quoted that as many as one in four jobs in rural and regional areas depend on trade, whether that be directly or in support of the exporters. Our overall export base has diversified, including in regional Australia. Regional exporters are value adding to traditional primary products and increasing their competitiveness.

Trade is vital for the future of a great many businesses, organisations and producers in my electorate of Riverina. One of our very successful industries is a rice growers cooperative based in the Riverina town of Leeton. Ricegrowers is a significant $500 million global exporter and is Australia’s largest branded food exporter. Ricegrowers is a significant employer and value adder to regional Australia. Some 85 per cent of its Australian rice crop is exported to world markets, representing four per cent of world trade. The global rice market is estimated at 22 million tonnes, and that is valued at approximately $11 billion per annum. Australia grows between one million and 1.4 million tonnes of paddy rice in an efficient and sustainable farming system.

Ricegrowers sell to 72 countries, with Papua New Guinea, Japan, Hong Kong and Saudi Arabia being our major export markets. They are also experiencing rapid growth in Australia, Japan and the Middle East. Ricegrowers have experienced a decade of aggressive growth and value creation, in which time they have doubled production and quadrupled revenue. They have operations in Japan, Papua New Guinea and the Solomon Islands, and they have offices in Japan, Sin-
Singapore, Dubai and New Zealand. Ricegrowers have made significant inroads into several major Asian markets, including Japan, which is Australia’s most significant and profitable rice market. Ricegrowers are also expecting WTO accession this year into Taiwan and the very lucrative markets in China that the Minister for Trade expanded on today in his address at question time.

If the rice industry is to continue to grow on a global scale, they require some simple measures to be undertaken, including a genuine single desk in markets that we sell to or markets that we are developing. In fact, the national competition policy review recommended a new single export desk be developed under Commonwealth jurisdiction to permit deregulation of the domestic rice market. I believe AFFA have developed a draft model based on wheat legislation, which will be a good starting point for negotiations between the industry and the Commonwealth and New South Wales governments. Without a single export desk, in excess of $45 million per annum export revenue could be competed away, to the disbenefit of regional Australia and my Riverina electorate.

Rice is exported as a value added product, not a commodity. This very fact provides higher premiums that underpin significant investment into regional Australia. It is the opinion of many professionals that, without a single export desk, rice exports would revert to paddy sales—for example, in Japan—effectively exporting thousands of jobs in rice value adding from rural and regional Australia and causing irreversible destruction in my electorate of Riverina. It is a fact that product innovation and market development are enhanced and not reduced by a single export desk. Transparent single export desk arrangements are WTO legal and provide minor compensation to an unsubsidised industry trading against highly subsidised competitors.

In summing up, I commend the member for New England for bringing forth this excellent private members business motion and for accepting a reduction in his speaking time to allow me the opportunity to highlight the excellence and the value to the Australian economy of an industry in my electorate. I invite anyone that doubts the crucial importance of international trade to the prosperity of rural and regional Australia to visit my electorate of Riverina and to inspect the spectacular plants that not only process and package our product but also invest in serious research and development that will position our very own Australian SunRice brand as the millennium meal of the world.

**Ms GILLARD (Lalor) (3.58 p.m.)—**It is a great pleasure to speak in this debate on international trade. I would like to fulsomely endorse the brilliant contribution made earlier by the member for Denison and fully endorse the brilliant contribution no doubt to come from the member for Swan later in this debate. I do agree wholeheartedly with clauses (1) and (4) of this motion. I agree with the sentiments expressed so far in this debate that trade is indeed vital to rural and regional Australia, given that rural and regional areas are home to around one-third of Australia’s work force and generate more than half our exports. Indeed, rural and regional Australia is more dependent on Australia’s trade performance for prosperity than urban Australia, with one in four jobs in regional Australia depending on exports, compared with a figure of around one in five jobs nationally. So we can say that when Australia’s trade performance is going well so is rural and regional Australia, and when trade is going badly rural and regional Australia gets hurt. The government consistently fails to acknowledge that, during its term in office, trade has been going badly—very badly indeed.

Figures released earlier this year show that Australia actually exported less in the 1998-99 financial year than in the 1997-98 financial year. Indeed, exports dropped by three per cent or more than $2 billion in value—the first fall in exports in 20 years. Australia has created another record along the way—a record trade deficit—with the gap between what we import and what we export now at $16 billion. This crisis in trade has, of course, hit rural and regional Australia hard and at a time when the bush is still reeling from the sustained withdrawal of government services by the federal government and by state conservative governments.
The dimension of the crisis in the bush has been illuminated—or should I say further illuminated—as recently as today by a report from the National Centre for Social and Economic Modelling, which went through income distributions in a spatial sense across Australia. This report contains some startling and worrying statistics. For example, while talking about income distribution and income levels in Canberra, it notes that about 20 per cent of households in Canberra have incomes greater than $78,000 a year and fewer than 14 per cent have incomes under $15,600 a year. Yet when we turn to country Australia and look at Victoria, Tasmania and South Australia we find that around 30 per cent of households in regional and rural towns had low incomes—that is, incomes of less than $15,600 a year—while fewer than five per cent of households earned more than $78,000 a year. Indeed, in 1996, Victoria’s rural towns had the lowest average household income of any region in Australia at $28,587 a year, just 58 per cent of Sydney’s average. It is no wonder, given those sorts of statistics, that when given an opportunity to rebuff the Liberal and National parties country Victoria took that opportunity and made sure that they did time and time again, as we have just seen with the Benalla by-election.

The solution obviously to this problem in the bush is in part, though not wholly, built around the trade agenda. Obviously, questions such as services and regional policy play a very substantial role as well as the question of rural infrastructure. But, focusing on trade questions, clearly what Australia needs to do now is to actively pursue a series of trade matters. I would cite as the first of those the question of trade liberalisation for agricultural exports. Australian farmers are amongst the most efficient in the world. Indeed, a study conducted last year found that a 50 per cent cut in global agricultural protection would lead to a $2 billion annual welfare gain for Australia. To date, the Howard government have been highly ineffective in pursuing cuts to trade barriers for our agricultural exports. Indeed, they have been a spectator rather than making us a nation on the front foot striving for change.

We have seen that the Howard government is willing to stand back. We have, for example, a Prime Minister who has no trouble making himself available for a nostalgic trip to Britain this year but who could not find time to attend the Seattle WTO round, despite Bill Clinton urging him to attend. Since the falling apart of that meeting, the Howard government has basically been shrugging its shoulders and suggesting nothing can be done until after the American presidential elections are concluded. This position simply is not good enough and needs to be changed.

(Time expired)

Mrs GASH (Gilmore) (4.03 p.m.)—The member for New England is very correct: international trade is extremely important to rural and regional economies, as instanced by the large number of exporters in my own electorate of Gilmore. Gilmore has over 60 exporters who contribute significantly to our local economy in terms of employment and the foreign currencies they bring into the region. In fact, our manufacturers and exporters are the greatest income generators in Gilmore. The kinds of products our exporters offer to the world range from hospitality and intellectual property through to manufacturing and service industries, retail and primary production, which includes seafood and agricultural produce. Exports from our local businesses include education, fish, cheese, milk, rubber components, electrical goods, water purifiers, software, fishing equipment, cards, wine, surfboards, flow control systems, boats, solar heating equipment, garbage bins, gluten and starch products, agricultural equipment, chemicals and, of course, paper.

Many of these local companies have received assistance in an informal way from the Department of Agriculture, Fisheries and Forestries and the Department of Foreign Affairs and Trade. Others have received more formal assistance in the shape of export market development grants and other Austrade initiatives. All this interaction helps our businesses to grow their sales and, in turn, grow employment and prosperity. This is very important, especially to rural and regional economies like ours, as the market is either extremely small or non-existent in our own areas. Developing trade links with other...
countries opens up a whole new marketplace for our producers, one which only a few years ago was the ‘impossible dream’. Consequently, our local businesses certainly appreciate the work performed by Austrade and our government ministers in establishing bilateral links with countries that previously have not figured largely in Australian trade terms. In fact, it has been through direct intervention by our ministers and their staff that markets have been identified, agreements developed and trade arrangements and protocols signed.

On the matter of protocols, I too would like to commend the federal government on its use of phytosanitary protocols and recommend that it continue to use them to gain increased access for Australian agricultural and horticultural products to Korea, Taiwan and China. These protocols ensure that we have a reasonable idea of how the industry in another country is monitored and examined for diseases and impurities. Although seen by some as a way of raising a de facto trade barrier, what the government is actually able to do is to help keep safe our primary products, many of which have little or no resistance to outside diseases.

Finally, I cannot sit down without paying tribute to the enormous efforts made by our own local businesses. In the beginning, often without a lot of financial backing, they decide to expand into global markets. At this point, they go from giving 110 per cent to working at 150 per cent of capacity to make their mark. This is not easy, as many of these businesses have few staff and little in terms of spare resources. It is often about families biting the bullet, taking out another mortgage on the family home and working harder. To give them credit, many have in the end been extremely successful, but it comes at a price. I think we should all thank them for their untiring efforts.

Without our small to medium enterprises, Australia and certainly Gilmore would be all the poorer. There would be less innovation, enterprise, employment and wealth creation. Because of our smaller local businesses exporting their wares to the world, Australia is a greater nation and my electorate has far better prospects and opportunities available for others to follow and profit from. An example of this is the pork industry in Gilmore. Some time ago, I received protests about Australia allowing imports of pork and pork products. Local businesses said that our policy would send the industry broke, that they would be overrun by imports. What has in fact ensued is that, through the better trade relations that have developed because we have agreed to take overseas pork, our exports of pork have risen significantly. A strong performance by a reorganised pork industry has led to record sales of over $120 million in the last year—almost double the pork imports for the same period.

The Shoalhaven and the Southern Highlands have several pork producers that are contributing to this success with their commitment to top quality produce. The pork industry has changed its focus from almost entirely domestic sales to growing its own export markets, and it has profited from this action. Trade in country areas of Australia is, indeed, doing very well under this government.

Mr WILKIE (Swan) (4.07 p.m.)—First let me state that, whilst I appreciate the sentiments voiced by the member for New England, I feel compelled to respond with some analytical comments based on fact and not emotion. The member for New England has made it clear that he fully supports this country’s rural producers and primary sector resources. That is fine; so do I. But it is when we rely on the primary industries of this country to sustain economic growth that I begin to worry. Australia has the potential to be much more than a farm or quarry for the rest of the world. I openly applaud the efforts of all rural producers to increase exports. However, we have to recognise the facts.

By specialising in these fields, in real trade weighted terms we earn far less than we did in previous decades. In 1955, primary industry contributed 18 per cent to GDP and employed 13 per cent of the population. In 1995, these figures are eight per cent and seven per cent respectively. Furthermore, in 1994, manufactured goods contributed 76 per cent of world merchandise trade compared with just 12 per cent for primary products. It is a dangerous course, indeed, to rely on farming
and mining alone to sustain a modern economy.

I would like to impress upon members the simple fact that we are faced with a choice, and that choice is stark: do we have a future—as suggested by Dr Ohmae of McKinsey—as 'the brains trust of Asia, with new ideas, technology and sustainable industry', or do we take the path of a low wage, less advantaged society with inherent job insecurity? If Australia is to become a truly competitive international player, our only course of action is to increase the proportion of our economy engaged in high-capacity industry design, development and production. This will lead to more employment at a higher rate of pay and an increase in the skills and education in the community.

Where is the drive from this government towards this objective? Is it coming from the minister for industry, the minister for education? The truth is that there is no drive from this government; it is non-existent. These ministers have only one perspective—that of discordant discipline, neoclassical economics. The tired rhetoric constantly espoused by the government stands in direct contrast to the policy measures that are desperately needed by this nation, and these can be summarised in two ways.

Firstly, we cannot solely rely on our agricultural and mining industries. As we are aware, elaborately transformed manufactures, ETMs, have been for some time the largest and fastest growth area in world trade and have exceeded services. They have significant employment and technology effects and integrate well with the purposeful concept of the knowledge nation. This policy relies on unimpeded skills and an educated society. The government may not be listening, but it is the only alternative to a low wage and low skill base economy.

As notable writers such as Dr Ian Marsh have indicated, it is the pursuit of competitive advantage rather than orthodoxy which has underpinned the development of postwar German and Asian economies. It bears mention that, whilst the quality of improvements in our manufacturing sector were noted, especially in the late 1980s and early 1990s, not enough has been done to capitalise and improve trade in high value adding, knowledge intensive ETMs.

Secondly, this government’s policies to create and develop new markets and products through innovation can be summarised in one word—dreadful. Investment levels have imploded from both industry and government under this minister. Federal funding for universities has fallen from 0.94 per cent of GDP in 1996 to just 0.82 per cent in 1998. Federal spending on science and innovation has fallen to 0.64 per cent and, lamentably, business research and development has fallen to 0.7 per cent. In contrast—and as Laurie Oakes wrote in the March edition of the Bulletin—the OECD average is 1.4 per cent.

I would be happy with the acceptance of a more hands-on approach to policies in the portfolios of industry, science and education. I would be delighted with this government ceasing its ideological preoccupation with the notions of comparative advantage, small government, small budgets and all the inherent nonsense that accompanies them. Whilst still providing support for agriculture and mining, it is about time we realised that we cannot live off the sheep’s back or the open pit to guarantee ongoing economic growth. Australia needs and deserves more. (Time expired)

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The time allotted for private members business has expired. The debate is adjourned and the resumption of the debate will be made an order of the day for the next sitting.

GRIEVANCE DEBATE

Question proposed:
That grievances be noted.

Refugees: Kosovo

Mr DANBY (Melbourne Ports) (4.12 p.m.)—Today I grieve for the Kosovo refugees—especially for the last 150 or so who were so heartlessly sent back to Kosovo, and for those who remain here with deportation dates looming over their heads. I was the co-patron of the Bandiana Safe Haven until it was turned into a detention centre. I requested this position soon after the Kosovars first arrived here—with the government belatedly agreeing after there was an outcry
demanding it be so—as I wanted to be part of the process which welcomed these people to our country and provided them with a sense of safety and security, particularly the children who had not known such before. Many members will agree that we succeeded with the 4½ thousand people whom we took.

Many members will remember the sight of the Prime Minister on national television welcoming these people as they arrived. Their manner of leaving was not so public. These refugees felt safe and secure in Australia. Many learned English; I gave the children written English certificates. Others gained quality jobs in their local communities, particularly in the community of Albury-Wodonga, and forged a significant and warm relationship with their communities.

Let me return to those crucial days before the remaining Kosovars were forced—or, as I say, given an offer they could not refuse—by the Minister for Immigration and Multicultural Affairs to leave Bandiana. In selling the so-called necessity for the remaining Kosovars to leave Australia, the minister for immigration repeatedly used as a crutch a statement by the UNHCR in Canberra that it was ‘safe’ for these evacuees to return to that part of the world. It emerged in the course of those two weeks that in fact half of those people were not indeed from Kosovo but from Presevo in southern Serbia, which was literally still occupied by Yugoslav tanks. On the Wednesday night before the weekend of their deportation, the 7.30 Report interviewed the representatives of the UNHCR, the refugee organisation and the international migration organisation in Pristina. They said the exact opposite of the minister’s claims. They said that it was not safe for these evacuees whom Australia had taken into its arms to be returned to that place. They said that they were absolutely opposed to these people being forcibly returned against their will.

Mr Deputy Speaker, you will remember that our Department of Foreign Affairs and Trade at the time was issuing a travel advisory that said it was too dangerous for Australians to travel to Kosovo. Another fact that particularly galls me is that one of the reasons the government apparently urgently needed the Kosovars to leave Bandiana was simply to enable the refurbishment of that Army camp for the arrival of the Ukrainian national Olympic team. It seems ironic that we inhumanely forced people out of the facility and into a place of ongoing conflict in order to house people representing the ideals of peace and community spirit in the Olympic Games.

I am not the only one to be so grieved by this event. The people of Albury-Wodonga in particular who had taken these refugees into their hearts, and often into their homes and businesses, were naturally also shocked and grieved by what happened to these people whom they had come to call friends. They watched as the government dispassionately and stubbornly refused to listen to the evidence from people on the ground in many parts of Kosovo that it was, and still is, unsafe. They watched the government dodge and distance itself from the pleas of these evacuees. These are people whom Australia spent $100 million on looking after in this country. We urged them to come here and, in the end, we treated them so shabbily.

They watched the government act in accordance with the strict letter of the law rather than with humanity and flexibility. Unfortunately, they also watched as their Kosovar friends were forced onto buses, transferred to planes, then forced onto buses again and dumped in six different parts of Kosovo and left to fend for themselves. These people were not even allowed to change their money—the pathetic $50 that they had managed to earn working in their local communities. No bank in Pristina changes Australian money. It is monopoly money in Pristina. So they had no money even of their own to buy food or to get accommodation. Remember that these people, unlike some of the other Kosovar refugees, do not come from that part of the troubled region. Some did not have any family or friends to go to and, therefore, had no accommodation.

We now know that many of the refugees returned home and some of them found their homes destroyed; others had lost everything. Some of you will also have seen the 60 Minutes program where Richard Carleton stood
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with a couple of these people in Presevo in southern Serbia, looking at their homes occupied by Yugoslav tanks. They were crying with him, wishing that they could return. We just dumped them there. We just put them on a plane to Skopje and did not give them any money or food or even alert the international aid agencies that they were coming. Most sadly, we have also seen reports that as many as nine Kosovars who were sent back from Australia have disappeared. I hope the minister is looking into their whereabouts.

Further, the minister for immigration conferred the alleged right on these refugees to apply for residency under the special assistance program when they returned to Kosovo. This seems particularly farcical, considering the fact that many of these refugees do not have a permanent address. They have no indication of when an Australian immigration official might arrive there or how they might be contacted. We returned these people, this last group of evacuees, in particular the people from Presevo and southern Serbia, to a place many of them did not come from, to homes they did not have, without any money and without even informing the aid agencies. This is not the greatest chapter in Australia’s care for refugees, its immigration program and, in particular, the generally high standard with which Australia treated most of the Kosovar refugees during the 11 months they were here.

By contrast to the government, the behaviour of the staff at the Bandiana Safe Haven throughout the 11 months the refugees were there was commendable. The two ADF officers who looked after the refugees, in particular Major Mark Shanks, who had the terrible duty as a reserve officer of emptying the camp of all of these people who were physically afraid for their lives on returning, did a wonderful job. Mr Eric Longa of the Australian Albanian community, who sat on the plane with these people and went back with them, unlike any Australian department of immigration official, is also owed great tribute. The broadcast of his description of how he was taking people to police stations, how he was feeding people with his own money, how he was trying to take them to aid agencies who had not been advised that these people would arrive, was one of Melbourne’s 744 ABC radio’s most dramatic broadcasts, and they received many requests for that program.

The people of Albury-Wodonga, I feel, will not forget how this government shabbily treated these wretched 150 people. I understand that with any immigration policy the Australian government has to stick to an agreed policy, and the majority of the Kosovar evacuees—4,000—were returned with their approval to homes that they did have. But the treatment of the last 150 was absolutely unnecessary and is a black mark on Australia’s reputation. I hope that, when the Beazley government is elected, we will make sure that an Australian immigration department official goes to Kosovo to seek out these people and see that the shameful treatment that they received at our hands is not repeated and that they are brought back to Australia. Many of them will have jobs. I know in the Albury-Wodonga community there are people crying out for mechanics and skilled people, which many of these Kosovars were. They are looking forward to welcoming them back into the Australian community. The opposition will take these people with great seriousness—unlike this government, which, in my view, ended off a $100 million program in a way that brought disgrace to the name of our nation.

Genetically Modified Crops: Benefits

Mr SECKER (Barker) (4.22 p.m.)—I take this opportunity to speak on a matter of great importance that in one way or another will affect every person living in this world now and in the future—and this concerns genetically modified organisms, otherwise known as GMOs. During the Industrial Revolution it was often said by people that it would not last and we would not find jobs for those who lost their jobs to machines. Those people not only were proved to be wrong but also failed to see that economies would grow as a result of these machines and provide more jobs in other areas. When the motor car arrived on the scene many said that only the rich would be able to afford this new toy, and of course Henry Ford proved them all wrong with his new way of manufacturing on the production line, which has since been refined. Plane
travel was seen as unnatural and again as only the province of the rich. Again, they were proved wrong, with air travel being almost a commonplace occurrence for many people these days.

It is interesting to note the comments in the past and, with the wisdom of hindsight, to see how wrong people can be. Some decades ago the head of that famous computing company IBM thought that there would be fewer than 100 computers worldwide and that we would never see computers in the home. How wrong he was, and he was meant to be an expert. We have had the Industrial Revolution, the motor car, the aeroplane and the computer age. But many people are failing to recognise the next revolution of biotechnology which encompasses genetically modified organisms, known as GMOs. There is a lot of misinformation surrounding this issue, with a lot of hype in the media with such misleading terms as Frankenstein foods and so on. It has disturbed me to see such shallow reporting on this issue, although I will say that Greg Kelton in the Adelaide Advertiser has so far taken a balanced approach to reporting this issue without the sensationalist approach taken by some of his colleagues.

The use of gene technology has the huge potential to benefit the primary producers in the electorate of Barker and elsewhere in Australia. The use of GMOs also has a huge potential to benefit consumers in Australia, which I will refer to later, and it will also lead to better production of agricultural products with enormous benefits to the problems of feeding the world and developing those countries which presently cannot feed their own. But firstly I want to rebut the scaremongering from those groups who continue to keep their heads in the sand and refuse to look at this subject logically. These people continue to oppose a genetic technique that not only is more precise than traditional methods of plant and animal production but also is safer because of the preciseness, the greater predictability. For example, if we were trying to introduce a frost resistant gene to a wheat variety by traditional methods, we would be crossing over 30,000 different genes, which leads to not only greater unpredictability but also slower progress. By the use of biotechnology and genetic engineering those involved can insert one frost resistant gene with greater accuracy, greater predictability and greater safety than the traditional method of crossing 30,000 genes.

Then the scaremongers will say: what about the unnatural process of inserting a fish gene into that wheat species? This dishonest mantra fails to recognise that all living matter, whether it is fish, wheat or human, is made up of DNA building blocks. In fact it is readily acknowledged, for instance, that humans and apes have 98 per cent of exactly the same genes and those DNA building blocks. But to these people this new technology is somehow unnatural, even though diabetics have been using genetically engineered insulin for at least 16 years in Australia, and this is done through pigs which are genetically engineered to produce the insulin that is so necessary for diabetics. Do we hear diabetics complain about genetically engineered insulin? Of course we do not. If those same people were here at the time of Louis Pasteur they would have opposed his treatment of smallpox by the injection of the cowpox virus into humans. ‘Heavens above,’ they would say. ‘Fancy giving a cow disease to humans; that is unnatural.’ Apart from the small negative reaction to the cowpox virus, humans receive the enormous benefit of immunity from the deadly smallpox disease.

Let me deal with the hoary chestnut that the use of GMOs in plant breeding will make the sky fall in because it will lead to superweeds, the destruction of beneficial insect populations, and the drenching of crops with insecticides and herbicides by farmers. I will deal, firstly, with the suggestion that the use of GMO techniques will lead to superweeds, and I will refer to a recent trial in Australia and to the triazine resistance already found in some crops such as canola. The Aventis company recently ran a trial of GMO canola and amongst 75,000 plants they found only two plants that were resistant to any chemical and that chemical was Liberty, which at this stage is not that commonly used anyway. The point is that there is a multitude of other chemicals that can be used on these resistant plants anyway. For quite a few years there has been triazine resistant canola grown
throughout the world which enables greater flexibility in where canola can be grown on farms, especially where there are weeds such as turnip and radish present which come from the same family of brassica as canola. If these varieties of triazine resistant canola were produced by genetic modification, there would be opposition because of the supposed problem of producing superweeds. But because they were produced by traditional methods of breeding, somehow that is okay. These doomsayers are looking at the technique, not the actual product, and hence are not being consistent at all in looking at this new technology.

Then there is the claim that GMOs will lead to the destruction of beneficial insect populations apparently in comparison to existing methods of insect control. They refer to the Bt bacterium which is genetically inserted into such plants as cotton and they say that somehow this will lead to improper insect control. Bt is a naturally occurring bacterium with beneficial effects. In fact, because this gene attacks the insects that eat the plant, it only affects those detrimental insects, whereas more traditional methods of control are not anywhere near as selective as those presently employed in the agricultural industry. As for the claim that GMOs will lead to farmers drenching their crops with insecticides and herbicides, not only is that dishonest and alarmist but it has been proven time and again to be totally incorrect because there has been instead a substantial reduction in chemical use with GMO plants, to the point that some insecticides can be done without in total, and that has to benefit our environment.

These people do not want the facts to get in the way of a good story, no matter how dishonest it might be. Not only do they say that using Roundup Ready, a herbicide, will lead to the drenching of crops with insecticides, which of course is nonsense, but they say it will lead to greater use of chemicals overall, which is patently incorrect. The fact is that using insecticides on plants for weed control is useless because of course herbicides, not insecticides, control weeds. In fact, insecticides probably help weeds to grow because they would no longer be attacked by insects.

Doesn’t the fact that GMOs are already reducing chemical use substantially point to the fallacy of these arguments? Doesn’t it seem strange that it is the same old loony left elements that have controlled the minority campaigns of the past who are now controlling the agenda of anti-GMO sentiment in Australia? These same people are prepared to use dishonest literature to try to fool the general public. They try to convince farmers that the use of GMOs will reduce the ability to access export markets to such places as Europe but fail to tell them that there are already hundreds of thousands of hectares of GMO products being grown in Europe. Again, let us not let the facts get in the way of a good story.

The potential benefits of using genetic modification are almost boundless, for example, better productivity, which will help not only farmers in this country but those in other countries, especially the poorer developing countries. Less chemical use can only benefit our environment, and it seems strange that the so-called environmentalists oppose the use of GMOs. Allergens can be removed by the process of genetic modification. Frost resistance can be achieved to help those farms in areas, like mine, that are susceptible to frost. Biotechnological production of plants can be enhanced by GMOs, thereby making healthier food. The list of the benefits is virtually infinite. By the use of government regulation, through the gene technology regulator, we can be assured that this technology is safe and beneficial not only to consumers but also to farmers through the development of better productive abilities and less chemical use.

Another issue of concern to me has been the decision taken by ANZFA to try to make all foods that have GMOs, or are produced through the use of GMOs, be so labelled. I ask: why? This body is made up of the Australian government, the New Zealand government and the state and territory governments. Both the national governments oppose this ridiculous proposal, which could add $3 billion of extra costs to producers and manufacturers. (Time expired)
Aboriginals: Reconciliation
Workers’ Entitlements: Domino Mining Equipment

Ms HALL (Shortland) (4.32 p.m.)—Yesterday I was part of the people’s march across Sydney Harbour Bridge, a march where Australians from all walks of life joined together to support reconciliation between indigeneous and non-indigenous Australians. It was a historic occasion, one which was both a uniting and emotional experience, and one that gives a message of hope for Australia’s future. One of the memories that I will take away from that march is a conversation I had when we stopped and spoke to some Aboriginal women who came from the North Coast of New South Wales. They were so excited they were bubbling; they were full of the excitement of the march. They said they had walked over the bridge three times. They were so excited that, for once, all Australians were joining together in recognition of indigeneous Australians.

The thing that I find unfortunate about this is that the Australian Prime Minister failed to join his fellow Australians in a gesture of solidarity. Instead he chose to show his intolerance and his lack of leadership. He came to Canberra and hid here. He missed a golden opportunity to unite and empower all Australians. It was a once in a lifetime opportunity, and the Prime Minister of Australia missed it.

If Australia is to grow as a nation, we need a Prime Minister who shows leadership and who can create an environment of tolerance, where all Australians are accepted and respected, and where we all have the ability to influence our lives and have our voices heard. We do not want a society of haves and have-nots, a society where Australians are denied basic rights of education, security, health care and the ability to determine their own lives. Australians should have the support of their government if they feel they are being exploited or if they are aggrieved in any way. Without that, we do not have a fair and tolerant society. Unfortunately, the government has failed miserably to create this environment and an inclusive society that will ensure Australia has a secure and prosperous future.

One of the worst aspects of our society is the powerlessness felt by many Australians, and this government and its instrumentalties have contributed enormously to this powerlessness. On one hand, we have the Minister for Employment, Workplace Relations and Small Business today advocating tough action against unionists while, on the other hand, we have a government that turns a blind eye to the actions of its friends in business.

Unionists are fined or could possibly go to jail, while directors of companies still enjoy lavish lifestyles and their displaced workers walk away without their entitlements. Workers like Bob Taber, who worked for Pioneer Park—formerly known as Domino Mining Equipment Pty Ltd—is now unemployed. He has not received any of his entitlements since a voluntary administrator was appointed in June 1999. It is a really interesting situation to look at. In 1999, on 3 June, the company became Pioneer Park Pty Ltd; on 10 June, a voluntary administrator was appointed; on 28 July, liquidators were appointed; on 24 August, the director, Mr Cliff Carpenter, incorporated a fresh company under the name of Domino Mining Equipment Pty Ltd. All the companies have the same directors and are all under the same umbrella—a company called Merlo Australia. Mr Cliff Carpenter is a chartered accountant and a former administrator.

There has been evidence of insolvency trading between Mr Carpenter and other people, yet the Australian Securities and Investments Commission, to whom I have referred this matter, chose not to act on it. The last answer I had from the Australian Securities and Investments Commission was that Mr Taber’s allegations are very serious and are not to be taken lightly. However, ASIC has decided that it is not appropriate that it make a substantial commitment of investigative resources in this instance. The consideration is based not only on the information which has been collected to date but also on a consideration of available resources as well as current priorities. Little people, with $400,000 owed to them, and nothing happens!

They go on to say that they realise that Mr Taber will be disappointed but that it is not
their primary function—although it is an important role of the Australian Securities and Investments Commission to investigate corporate misconduct. In other words, the little people miss out. How can they feel any power in this situation? I have contacted the securities commission and asked them to further investigate it. There is such a contrast. The unionists have been fined and face possible jail. Workers walk away without their entitlements, and yet the directors enjoy the lifestyle that they are accustomed to. They have still got their houses and their cars and every part of the lifestyle that they have always enjoyed; yet the workers miss out.

There is another group of constituents within the electorate who have invested in Positive Investment Concepts. It deals mainly in property investments, and *Four Corners* actually touched on one of their development proposals last Monday, which was the Fennell Bay development. These are people who are pensioners, ordinary Australians. There is a person involved who had a workers compensation settlement and has invested in one of the developments—I think it was the Dorchester, Clarence Street development. These people have lost everything. Once again, I have been in touch with ASIC, and they cannot act.

The interesting thing is that there is a series of projects that these people have been involved in. One name that is involved in all of these is a Mr Peter Blair. There are in the vicinity of 16 projects that he has been involved in, and in every one of those projects the investors have been hurt. There is an accountant, a Phillip Nelson, who has been pretty constantly involved too, and Bruce Hansen, a solicitor with strong Liberal Party connections: none of these people has been touched—yet all the little investors have lost everything and are facing massive legal battles if they are to get any of their money back.

I ask: what redress is there for ordinary Australians in our community? How can they feel that they have got the power to influence and control their lives if, at every turn, in every decision that they make, they lose? Those people in positions of power, people associated with the members on the other side of this house, continue to escape and do not meet their obligations. Little wonder that people feel so powerless in our society! On a daily basis, people contact me and complain to me about their lack of power and their inability to influence these things.

In recent times, I have been so disturbed by the disempowerment of people in our community and their inability to get this government to listen to them that I have decided that a new approach is needed. I currently have Margo Mannix, a social work student from Newcastle University—she is here in the gallery today—working with me to help develop a community empowerment model where I hope that we can help people have a voice. This government has specialised in making life harder for the ordinary Australian and those Australians who need a little extra help; those Australians who have struggled hard; indigenous Australians who have all but begged the Prime Minister to say sorry for the sins of the past; Australians whose words fall on deaf ears. If the Prime Minister continues to ignore our voices, he will destroy the Australian spirit and our ethos of fairness and tolerance. *(Time expired)*

Asia-Pacific Public Affairs Forum

Mr **HARDGRAVE** (Moreton) (4.42 p.m.)—This parliament, this place, stands as a ready testimony to the availability and access that the people of Australia can enjoy to the processes of good government and the opportunity to air a range of views and concerns to be heard, listened to and tabled. This is what parliamentary democracy is all about. It is interesting to reflect upon those nations in our own region that have their own share of difficulty enjoying such traditions and ready access to the range of views and concerns that may be in their own society.

It is against that background that it is interesting to reflect upon the Asia-Pacific Public Affairs Forum, at which I was honoured to represent this place in the past week or so. This was run by the organisation APPAF, which is a non-government organisation based in Taiwan and financed by a range of philanthropic contributors, people who are concerned about our global society and good civil society. It was also a forum which brought together legislators from
Australia—I and New South Wales Senator Helen Coonan attended—from New Zealand, Indonesia, Thailand, Malaysia, the Philippines and Taiwan, as well as from Canada—and a representative, interestingly enough, from Nicaragua.

When you combine that great range of people, it is interesting and disturbing to reflect on just how fragile parliamentary democracy is across the entire world. In Taiwan, just a week ago last Saturday, the inauguration of a new president there, Chen Shui-bian, signalled an era of new democracy in that country; a country which just 20 years ago was administered under martial law with great restrictions on human freedoms, possibly as a reflection of the presence of danger that they sensed from those on the mainland. It is a country which now has embraced democracy to the point where the people have quite freely and ably changed political parties at a free and general election. It has taken 55 years for the Republic of China, based in Taiwan, to reach the stage where the people could, through the ballot box, cause such a radical thing to occur. That the Kuomintang no longer have power in the presidential palace and that the Democratic Progressive Party candidates won both the position of president and the position of vice-president says something about that nation. That it has joined a club of nations which enjoys freedom and democracy and exercises human rights, care and concern and good liberal, democratic values is, I think, something all of us in this country should celebrate.

The member for Rankin and I probably represent more Taiwanese born citizens in our constituencies than does any other member. I am particularly concerned about this issue and what it lends itself to in my own electorate of Moreton, because what is happening in the electorate of Moreton is something that we could only hope would occur over time between the nations either side of the Taiwan Strait. In the electorate of Moreton, people of Chinese origin—be they those who were born in the People’s Republic of China or be they those who were born in the Republic of China on Taiwan or in Hong Kong or in Singapore—all have a ready acceptance of the idea of working together. In relation to good conduct, trade, and personal relationships in whatever measure you wish to establish, there is, without doubt, little or no division. So when APPAF, this non-government organisation, brought legislators from across the world together to discuss important matters in this emerging democracy to do with parliamentary reform and the environment in a civil society, and to deal with matters relating to the World Trade Organisation and how to survive the shifts that industry across the world is having to undertake in order to conform with WTO expectations, it was an exciting process to be part of.

That Taiwan has grabbed democracy without making mistakes is not a true statement. Taiwan has had its own share of difficulties in bringing about this democratic process. Mr Deputy Speaker, you would be disturbed to know that in that country a concept called ‘black gold’ exists. There is a problem of organised crime involving itself directly in politics. Taiwan does not have the system we have in this country where disclosure of electoral funding is an everyday event—Taiwan does not have that system in place. But, to his credit, new President Chen has signalled that as one of the absolute priorities of his first term as president. President Chen wants to outlaw black gold to ensure that there is complete confidence amongst the people in the Taiwan democracy. President Chen told the people of the world the other week that he wants to see Taiwan:

... the landmark for Chinese communities around the world ... to set a new model for the Asian experience of democracy ... to become a moving example of the third wave of democracy the world over.

I think the words of President Chen are worth quoting on the record here, with the passion that he delivered them the other day. I quote:

Twenty-three million people with an unwavering will have allayed enmity with love, overcome intimidation with hope, and conquered fear with faith.

With our sacred votes, we have proven to the world that freedom and democracy are indisputable universal values, and that peace is humanity’s highest goal.

They are the words of the most recently elected official in the world. I think they are
very worthwhile words, and I think they set a ready example to others around the world of the value of democracy.

I applaud the role of the APPAF organisation in bringing legislators from around the world to discuss the difficulties of making parliamentary democracy work. President Chen himself has talked about the need for reform of the legislative process in his country. It was my suggestion to that forum that they send delegates to this country to discover the processes of committee work that we undertake in this parliament, to gather some understanding of the need for resources so that disclosure to the people and the paramount importance of the people are upheld. President Chen himself reflected on the will of the people and the importance of the people in the process of democracy. These are, I am sure, words and sentiments that all in this place happily welcome.

With regard to our friends on the other side of the Taiwan Strait, the People’s Republic of China, the nation which this country recognises, amongst most others in the world, as the one China, I say to them: we do want friendship with you. We value the friendship with you. We recognise and respect the difficulties you have in running a country with so many people. We welcome, as President Chen Shui-bian said the other week, the economic miracle that has been presided over by the people of the People’s Republic of China over the last 10 years. In his speech he took time to pay tribute to the leadership of Mr Deng Xiaoping and Mr Jiang Zemin, saying that they have created a miracle of economic openness but reflected upon the fact that Taiwan had at the same time not only provided economic openness but also provided this democratic miracle which goes hand-in-hand with it.

The performance of the nation of Taiwan will continue to be under the spotlight over the years ahead. They have made one change from one political party to another in recent times, and the inauguration of President Chen is testament to that particular change. In fact, some academics in Taiwan are saying that Taiwan will need to go through the process of additional change: that, at some stage down the track, Mr Chen and his party will face the people again, that they may well lose office and the KMT, the Kuomintang, will be in power again; that again, in time, the electoral cycle will change and there may well be another change in office. The academics point out that providing those changes can occur in the same sort of peaceful and dignified way they have occurred in this particular example, the position of Taiwan as a truly democratic nation will be proven.

I think all in this place would recognise the great deal of happiness that exists in my own electorate—not so much about the fact that a person or a political party has won through a political process but, rather, that another nation in the world has taken its place among those of us who proudly call ourselves democratic, and liberal democratic at that; that parliamentary democracy will grow and that reforms will come; and that this nation should evolve into an even greater contributor to world events than it is at present. One can only hope that those on the other side of the Taiwan Strait, in the People’s Republic of China, will embrace similar reforms in years to come. That is an event that I am sure everyone would welcome in time.

Families: Research

Mr MOSSFIELD (Greenway) (4.52 p.m.)—In this grievance debate I would like to highlight the importance of the family and marriage and children’s mental and physical health, in learning and achievement at school, and in community stability and peace. I grieve that, in spite of this importance, not one university in Australia has a department of marriage studies or even family studies. I was prompted to speak on this issue on reading a paper prepared by an Australian Catholic University sociologist, Dr Moira Eastman who believes that Australia needs to look critically at how federal government economic and employment policies are impacting on birth rates and family survival. Further, she said that the casualisation of employment was undermining young couples wanting to marry and have children as they were unable to borrow money for housing. She also believes that Australian tax policies have penalised families for decades, with parents raising children often paying above the average level of tax. Dr Eastman said:
Government economic policies are having a very powerful effect on the survival of Australian families.

There are more than one million workers in the retail industry and most of them are now employed as casuals.

These casual statistics mean they are unable to borrow money to finance a mortgage. This further undermines public confidence in marriage and puts added strain on family life.

There are now clear signs of the changing demographics of family life. Figures in a recent report by the Australian Bureau of Statistics, *Household and family projections Australia 1996-2021* showed that single parent families would have increased from 742,000 in 1996 to as high as 1.2 million, with one-third of children aged under four living with just one parent. An analysis of the latest Centrelink data shows that 44 per cent of children aged nought to five live in poor families.

While the number of low income single families is high in the metropolitan areas, the situation is far worse in non-metropolitan areas. This problem is particularly so in New South Wales coastal towns. An article by Bettina Arndt in the *Sydney Morning Herald* quoted figures from a Monash University research paper which stated that low income families are moving to coastal areas to seek cheaper rents. According to the Monash report, 68 per cent of children on the North Coast, 62 per cent on the South Coast and 48 per cent on the Central Coast of New South Wales live in families receiving welfare support.

But it is not only single income families that are on the increase. This change in demographics is also apparent in the general run of young families, according to ABS figures. Families without children are expected to increase from 1.7 million in 1996 to about 2.9 million in 2021. The ABS predicts that 42 per cent of men and 44 per cent of women will never marry. Many young couples are delaying having children until their careers and relationships are established. This reflects insecurity in the economic, employment and emotional senses. Many young people have lost the confidence to make decisions about personal life. Dr Eastman makes the point in the introduction to her paper that, while families are one of the smallest social groups, research has increasingly found that:

The impact of families can at times outweigh that of even the largest organisations and institutions. Families have a powerful impact on every area of human growth and development including intellectual development and learning in schools, social competencies and skills, mental and physical health, economic well-being, both personal and national happiness, and satisfaction with life.

Yet the impact of families has not been fully acknowledged by major institutions and disciplines especially within the sectors of the economy, education and health.

One issue addressed in Dr Eastman’s paper is the failure of society to recognise the value of work of parenting and general household duties. The paper notes that in 1992 Australians worked 271.6 million hours per week in all market industries, such as retail, wholesale and manufacturing, but they worked an additional 108 million hours, or 40 percent more, in unpaid work in the household. In Australia, as in most OECD countries for which reliable data exists, the total volume of work performed each week is at least twice the work covered by the official employment statistics. The type of extra work being referred to is in the preparation of food and meals, laundering, house cleaning, child care, household repairs and maintenance, homework supervision, talking and reading to children, taking an interest in school activities and sport.

Dr Eastman referred to reports that showed that in 1950 couples paid more in taxes and received less in benefits than in the 1920s, while couples rearing children in the 1980s were half a million dollars worse off in terms of what they paid in taxes and received in benefits compared with those rearing children in the 1950s. The point is made in Dr Eastman’s paper:

Perhaps one reason that the former tax system that protected the income of families rearing children has been dismantled is that the economic system has forgotten the value of the work of parents rearing children and the whole area of productive work in the household.

The issue of ratio of work in the family home compared to work for an employer is chang-
ing rapidly for many working people in the current industrial climate. In an excellent article in the *Australian Financial Review* of 5 January Ron McCallum, Professor of Industrial Law at the University of Sydney, makes the point that the regular work hours of the fifties and sixties are but a memory. One-third of employees, according to McCallum, work for more than 40 hours, with many being employed for at least 50 hours a week—and I would add that much of this extra time worked is unpaid. We also have women undertaking part-time or full-time employment while still carrying the responsibilities of looking after the children and doing the housework.

This government is intending to free up the industrial relations system and reduce the power of trade unions at a time when changing technology and work patterns demand, in the interests of quality family life, tighter control and regulation. McCallum in his article contended:

> In the professional and staff employment which are the product of our service oriented economy my contention is that the balance is tipped too far in favour of working life and has left insufficient room for home life.

McCallum quoted a number of reasons for this, such as:

> Firstly, professional and staff employees are employed to perform tasks rather than set working hours, so that work now intrudes into evenings and weekend.

> May I add that the federal government is continuing to push for these types of employment policies. Computer driven technology is also eroding the boundaries between work space and home space because in many cases the personal computer and email have taken away the distinction between the office and the home. The issue of regulated hours of work and legal entitlements to public holidays and annual leave are issues that the government should consider in framing its industrial relations laws to ensure that the quality of family life is preserved.

> McCallum contended that, in addition to work, families should be able to develop pursuits such as engaging in hobbies, recreational and sporting activities and spiritual activities, and being able to join clubs, church groups and, may I add, community organisations such as Scouts and Guides, support groups and environmental organisations. All of these outside of work activities, many of them shared by all family members, add to the development and strengthening of family ties and education and broaden the horizons of children in the family. Families play an important role in educating their children. Eastman refers to studies that show that families not only have a powerful impact on the way children learn at school but that that influence outweighs that of school. The paper expresses the view that what the family does is more important for the education of children than the income of the family or the type of school they go to. Therefore, putting more emphasis on the quality of family life needs to be addressed by our economic, education and health institutions.

**Youth: Drugs**

*Mr ST CLAIR (New England) (5.02 p.m.)—I am sure members on both sides of the House will agree that we hear of far too many problems and challenges facing our young people today. It is not that we do not like hearing from our young people. In fact, I enjoy and encourage opportunities to speak with and listen to young people as individuals or as groups throughout my electorate of New England and, indeed, in this place when they visit with their schools. I recognise that we must never forget that our young people are the future of this great nation.

So many different challenges are out there for all our young people, not only in country electorates like those represented strongly in this House by you, Madam Deputy Speaker Kelly, my National Party colleagues and me but also in the city and regional electorates all over this great nation. However, being a young Australian in the bush is not all beer and skittles, so to speak, as many would have you think. All of us in this House, as leaders in their respective communities, and many of us as parents, need to continue to encourage all of our young people to grow in both stature and character, and to apply the necessary pressure to ensure they make the right decisions on the important questions of life—decisions on employment, family, finances and...*
all those other life issues that are so important.

We have to realise that life for young people is very different from the lives we led however many years ago. They have many more and varied options open to them in their lives. It can be very confusing for young people and difficult to make the right decisions. This can be very encouraging when we look at such areas as education, travel and diversified business opportunities. It is even more fantastic when we look at the leaps and bounds we have taken when it comes to steering away from prejudices caused by age, sex, race, religion and culture. Some great options are open for the young people of today. It is good news.

I think it is unfortunate that there is a strong need to be here in the House today to talk about another option available to Australia’s young people which is not good news in any way, shape or form. I am talking about the very easy and viable option of becoming involved in what I call the drug industry in Australia. Make no mistake, we are talking about an Australian drug industry worth hundreds of millions, possibly billions, of dollars every year on the black market. Many honourable members would believe, as many of my own New England people believe, that the beautiful rural based electorate of New England that I represent in this place, and much of country and regional Australia for that matter, is a pretty safe place to raise children and to shelter them from drug pushers and from pressure to be part of a growing drug scene. It is not. I am reliably informed from many different sectors of the New England community that even the smallest villages in my electorate are home to drug addicts, social users as they call themselves and those despicable people who encourage and make dirty money out of the sale and use of illicit drugs. It is common knowledge among young people in my electorate that illicit substances such as speed and other amphetamines, heroin, ecstasy, hash and the supposedly harmless starter drug marijuana are all available in quantity, in some cases as easy as it is to order a pizza delivery. Yes, this is happening in country Australia also.

Recently there have been calls for far wider testing for illicit drug use. I support this call. Drug takers and drug users should not be tolerated in any arena, whether that is in the work force, both private and public, in schools or for that matter in the parliament. No-one should feel they are immune from drug testing. These same drugs are illegal in this country and should be treated as such.

I see enormous amounts of money expended on advertising against cigarette smoking aimed at young people. However, I see very few public moneys being spent on antidrug advertising messages, particularly on the television. While I applaud this government’s commitment to the strategy of Tough on Drugs and the commitment of over $295 million for tackling the drug problem head on, there seems to be a concerted effort by other people in our communities to undermine the good work that is being done. The private sector is doing plenty of drug testing and coming up with some interesting results—tragic results. One particular large employer in my electorate tests all job applicants for drug use and is forced to turn away 50 per cent of applicants—50 per cent of job applicants fail the drug test. It is not worth it for the employers to employ drug users because of the risks they pose to occupational health and safety and to their colleagues and fellow workers. Make no mistake that a lot of employment opportunities are going begging because of a dependence or a liking for available illicit, illegal, drugs in New England. If I were able to go into business again today, I would insist on similar testing for my business as well. Drugs can prove expensive for employers as well as for drug users, their families, friends and anyone around them.

The state Labor government in New South Wales is weakening the drug laws designed to protect the citizens of New England and New South Wales from an open slather on the use of illicit drugs. I know because the president of one of the good and great anti-drug organisations—Australian Cities Against Drugs, ACAD—lives in Tamworth in my electorate and makes sure that I am kept well informed of drug issues in my area. In his last letter, ACAD president and acting...
mayor of Tamworth City Council, Mr Warren Woodley, writes:

[the] ... NSW government has just recently changed the drug laws on marijuana to a ‘caution process’ allowing up to 30 grams to be carried on a person and if caught, a caution is given. What our State Government forgot to tell you is that 30 grams of first grade marijuana is enough to keep a young person stoned for one month. This is seen by many young people as a soft option which sends them a message to ‘give it a go and if we get caught nothing will happen anyway.’ Is this the message we want?

The New South Wales state legislation changes that Mr Woodley was referring to took effect last month, on 6 April. Mr Woodley goes on to write:

There is something horribly wrong here with the message which our leaders are telling our young people!

And in my opinion Mr Woodley is exactly right: there is something horribly wrong with this message. I am not even going to discuss the idea of supervised shooting galleries today. It is beyond my belief that such a facility should even be considered in the state of New South Wales, or any other state for that matter. You have only to look at the headlines in the local newspapers to see the immediate effects the state law changes have had on the drug scene in New England. Here is an example of a story from the Northern Daily Leader of 19 May headed ‘Official caution’. It reads:

New Legislation yesterday saw a Guyra woman found with cannabis at a local caravan park let off with a caution.

The article concluded by saying:

She was given an official caution. No further action will be taken.

Madam Deputy Speaker, I will tell you when this disgraceful set of circumstances with regard to the use and abuse of drugs will end. It will end when all levels of government agree to adopt and properly enforce a true zero tolerance approach to illicit drugs.

Australian Cricket Board: Canberra Comets

Mr McMULLAN (Fraser) (5.12 p.m.)—I want to express my very profound concern about a short-sighted, selfish and insensitive decision made by the Australian Cricket Board which has had disastrous consequences for the sport of cricket and for young people in Canberra, Queanbeyan and the surrounding region. The decision of the Australian Cricket Board to eject the Canberra Comets from the Mercantile Mutual Cup is a backward step taken by an organisation which is—in the majority but not unanimously—focused on the interests of the various state constituent elements rather than on the interests of the sport. I also want to reject the gratuitously offensive comments by the Chief Executive of the Australian Cricket Board explaining why this awful decision is good for the ACT, as was reported in the Canberra Times of 16 May.

It is a serious blow to the sport of cricket, to those involved voluntarily in its administration, to those who play it and to the young people who have succeeded so well for three years playing in the team. But, more particularly, it is a serious blow to every young person from Canberra, Queanbeyan and the region who seriously aspires to play cricket at an international level. There is no way this decision can be explained as being good for Australian cricket. It is a decision that Tasmania, South Australia and Western Australia representatives thought might be good for their sectional interests, the interests of their state—getting a bigger share of the money, getting a bigger share of the international sporting events—but it cannot be good for Australian cricket to reduce the chances of a significant proportion of young Australians, in this region about 500,000 people, making it less likely that anybody of talent will turn that talent to cricket. It is a legitimate interest of those of us in this federal parliament, not just because I represent 50 per cent of the people of the ACT, not just because I should in one sense declare an interest and not just because I am Vice-President of the Cricket Association—

Mr Bruce Scott—You have to declare that.

Mr McMULLAN—No, it is not a pecuniary interest; I do not have to declare it. Nevertheless, I declare it. Cricket is a legitimate interest because there is a lot of taxpayers’ money involved. The federal government has made a correct decision to put money into the
refurbishment of Manuka Oval, one of the reasons being the participation in first-class or representative level cricket at that ground. That money will, at least in part, not be put to its maximum advantage. But my interest is most particularly because the success of Australian cricket is driven not by that brains trust sitting on the board but by the taxpayer funded Australian Cricket Academy in Adelaide. When people come from overseas to learn the lesson and ask, ‘Why is Australian cricket doing so well?’ you do not see them going back to their country saying, ‘Let’s set up a board run by little people protecting their fiefdoms.’ They say, ‘Let’s set up a cricket academy like that in Adelaide.’ I have never seen anyone leave Australia saying, ‘Let’s set up a cricket academy like that in Canberra.’ We have two delegates from each state turning up on the board arguing their self-interest instead of the national interest about cricket. It is an old-fashioned, particularly disconcerting structure and, as Rod Tucker, a Tasmanian who was the captain of the Canberra Comets last season, said, they have been ‘shunted out of the competition by the smaller states who were protecting their own allocation of national and international level matches’.

I come from Western Australia originally, and I know the battle that Western Australia had to get into the Sheffield Shield because the other states said, ‘We don’t want the competition.’ It is not so much the competition of the quality of play but the competition for the amount of money that is distributed. It is even more so now that there is a lot of money flowing in through television rights. That money is distributed amongst the six states, and they do not want to see it divided up. It was not being divided equally. The ACT was getting nothing like an equal share compared with, for example, a state of equivalent size. As I said, this region has 500,000 people. That is more than Tasmania. We were not getting anything like the same amount of money, but no-one was complaining. No-one was even saying that we should. We do not get a vote. Our taxes go to fund the Australian Cricket Academy, but we are supposed to have all the taxation and no representation, not even any chance to participate.

Malcolm Speed had the gall to say that they had made the decision because they thought it was good for Canberra. Not one person on that board even contemplated the possibility that it could be good for Canberra, and it is obviously not true. Malcolm Speed is not responsible for this decision. My understanding is that he does not even support this decision, so I feel sympathy for him. He is locked into advocating a position with which he does not agree. Nevertheless, it is very hard to put up with someone saying, ‘This is good for you.’ The fact is that nobody in this area can participate at first-class level or representative level without going to some other state to do so and that fewer young Australians will have a chance to participate at representative level. They say that it is going to make Canberra a ‘development region’, a ‘feeder region’ for the states. I am sure the states think that is terrific, but the problem is that it is crushing development. In the three years since we have had the Comets in the Mercantile Mutual Cup, there has been a 60 per cent increase in the number of junior cricket teams in the ACT. There has also been a significant increase in grade competition as players vie for a spot in the Comets team, as people have come from interstate and it has lifted the whole quality of the competition.

It is not the other cricketers who do not want the competition. A survey of all Australian first-class cricketers found 75 per cent in favour of the Comets. It is not the cricketers. It is not that Canberra people did not support it. Average attendance at Mercantile Mutual matches in Canberra has consistently been higher than attendance at those in Hobart and equal or similar to those in Adelaide and Melbourne. Canberra has shown in other sports that in a short period it can establish teams that are competitive at a state or national competition level. Of course, most recently it has been the Brumbies. In five years, they were the best team in Australia and the only Australian team ever to get into the final. They have done it twice. To my chagrin, I sat there in the cold and saw them lose on Saturday, but they played terrifically and I was proud of them.
Let me quote something David Campese said about the Brumbies before that game. It is very relevant to this point. He was talking about how proud he would be if they won. He said:

But the Brumbies made their impact on the national capital long before this. Regardless of Super 12 title wins or how many Wallabies they get into the Test team this year, players in Canberra at last have a possible career path. I stayed in Queanbeyan for as long as I could but eventually I had to move to Sydney ... The upcoming stars of the ACT no longer have to worry about shifting north ... They just have to break into the Brumbies and, after tonight, there will be an extra incentive.

The reason taxpayers’ money is, and should be, put into sport development is not so that people who are already playing get big salaries, though I do not resent it, but so every young Australian has a chance to turn their talent into international performance. Everybody should have that chance. We cannot make it equal. There are other things going on socioeconomically and geographically that mean it cannot be totally equal, but the Australian Cricket Board should not make a decision consciously designed to remove the opportunity for some young people, to depress the level of cricket activity, to reduce the level of cricket competition and to say to young people, ‘If you’ve got talent, go and play baseball. If you’ve got talent, go and play tennis. If you’ve got talent, go and play golf.’ Why would the Cricket Board do that? It is the pursuit of selfish, self-centred self-interest by a small group of people representing the states. I do not hold the delegates responsible—some of them I know; they are very decent people—but they have been sent with a brief that is untenable. It is defending narrow self-interest, attacking the national interest of the sport and denying taxpayers in this region a reasonable return for their substantial investment. (Time expired)

Outboard Motor Injuries

Mr LLOYD (Robertson) (5.22 p.m.)—I rise to grieve for something that is costing the lives of many young Australians, something that does not receive a lot of publicity or a lot of notice. I have lived and worked on the water for most of my life, on the Hawkesbury River, and my family have been around the waterways for most of their lives. My children have grown up enjoying boating, and so have most of my family, here and throughout Australia. Something that has come to my attention is the number of injuries caused particularly to young Australians by propellers on outboard motors.

I mentioned that I have worked on the Hawkesbury River for much of my life, and my first contact with an outboard motor injury was when I was first officer of the cruise ship Lady Hawkesbury. We were disturbed one night at anchor by the screams of a young man obviously in distress and in extreme agony. We administered first aid to this young man when he came on board. We were a 68-metre cruise vessel, so we had the facilities to take care of him. He and his mate had been skylarking around, and one of them had fallen overboard. People do muck around in boats and think they are a good thing to have fun with. But he sliced half his foot off, and my understanding is that he never fully recovered from that injury and today has a permanent limp. That was a timely reminder to the many young crew members that I then had on the Lady Hawkesbury of just how dangerous outboard propellers are.

That was unfortunately reinforced by a tragedy experienced by members of my own family back in 1999. I received a phone call late one night saying that my nephew Wade Robinson had been severely injured by an outboard propeller. An hour later, his father rang me—a phone call that I will never forget—to say that Wade had been killed. That was of course very traumatic for the family. I think it is because of the simplicity of these accidents that they do not gain enough attention. The coroner’s report for Wade—which I have here, from Mr R.B. Lawrence, District Coroner of Bunbury in Western Australia—said that the boat and the motor were mechanically sound at the time. Wade had many years of practical experience in controlling and driving boats. At the time, the water was calm, there was a moderate south-westerly wind prevailing and there were many submerged rocks in an area that Wade knew well. Apparently, he was in the boat, the boat hit a rock and he was thrown out. They were doing absolutely nothing wrong at the time—they were enjoying their boating—and, in a
split second, a propeller slicing through his body gave him fatal injuries.

The dangers of outboard motors were reinforced to me by an incident in my electorate. Not very long ago, a boy who was only 12 years old was killed. His family were enjoying a day at Patonga Beach. The Express of 2 February 2000 reported that the boy’s grandfather was driving the boat, his father was waterskiing and the boy was in the water. Unfortunately, the boy swam out, was not seen and was hit by the propeller of the boat—again, a 12-year-old boy’s life was ended far too soon. I tried to find statistics on the number of people injured or killed by outboard propellers, but those statistics are not available. Through the best resources of the Parliamentary Library service and others, I could not find where records are kept. Whilst this is only anecdotal evidence, I suspect these injuries are very common, and I do not believe they receive enough publicity.

Boating is a pleasure thing. It is mostly done with family and friends and, when there is an accident of this severity, it is unfortunately nearly always witnessed by friends and family, which makes it far more tragic and traumatic for the people involved. There are some 570,000 recreational craft in Australia at the present time and more than half a million boats. With our climate and our wonderful waterways, many Australians enjoy boating. I want to use this speech to highlight the dangers that lurk with outboard motors. When you look at an outboard motor—for those of you that are familiar with an outboard motor—the machinery at the top of the motor is well protected. It is covered. The noise and exhaust are contained within a safety cover so that there is no exposed machinery. But, if you look at the propeller, there is no protection whatsoever. There is a fast-spinning blade which has no protection. The only protection it has is that it is covered by the water, and you cannot see it. So it is the old adage: ‘If you can’t see it, it really can’t hurt you, so you shouldn’t be too worried about it.’ But that is part of the danger.

I appeal to governments in every state in Australia to look at ways of if not enforcing legislation then changing the way the propellers are fixed to outboards or looking at whether it is possible to put some sort of safeguarding band around those propellers. I would ask all state parliaments to look at those possibilities. I am aware that surf-lifesaving rubber duckies and like vessels do have their propellers encased in a safety cage. I also understand the difficulties of restricting or limiting the performance of outboard motors. All of us involved in recreational fishing, skiing or boating do not want to see the performance of our outboards limited, but there must be ways in which some sort of safety band could be put around propellers. Whilst that may not completely stop injuries, it may minimise those injuries.

I even went to the extent of trying to research the United States, because obviously that is where most of the outboard motors are manufactured and there are a large number of boats there. There does not seem to be any safety requirements or legislation in place even in the United States that deals with the propellers of motors. They deal with things like having fire extinguishers and safety equipment in the boats and noise pollution, but there was nothing that I could find in their legislation that dealt with the actual safety of the boats and the propellers.

I would call on the state parliaments and also a group called ANZSBEG—the Australia New Zealand Safe Boating Education Group, which was established in 1994 following a national review into safe recreational boating and boating safety education that was undertaken by the Australian Maritime Safety Authority; and I will be providing them with a copy of this speech—to look very carefully at what they can do to initiate a public education campaign to make people, particularly young people, more aware of the dangers of boating and, in particular, the dangers of coming into contact with propellers.

As I said, this is obviously a personal issue to me, with my nephew Wade having been killed by an outboard motor, but so many other incidents have come to light in recent times that I felt it was important I raised this. I emphasise again that there are always things that, unfortunately, will cause accidents. Motor vehicle accidents I guess are the ones that come to mind, but boating accidents
seem to have such an impact on the families because, in almost every incident that I know of, the accident is witnessed or is part of a family outing with friends and family. Some of the stories that have come through to me on those sorts of injuries—not even fatal injuries, but just severe cuts and lacerations—are very traumatic.

I really believe that we need to do something about this so that we can stop senselessly wasting Australian lives, particularly young Australians, because they are the ones who tend to enjoy boating, swimming and water skiing and they are more at risk. In the cases that I have highlighted today, we could find nothing in the coroners’ reports or any other reports to show that these people were doing anything wrong. Their boats were sound, they were well prepared, they were experienced boating people; yet these accidents still happened, and the two young lives that I detailed today were senselessly lost.

(Time expired)

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—The question is:

That grievances be noted.

Question resolved in the affirmative.

APPROPRIATION BILL (No. 1) 2000-2001
Second Reading
Debate resumed from 11 May, on motion by Mr Costello:

That the bill be now read a second time.

Mr SOMLYAY (Fairfax) (5.33 p.m.)—The budget process is a time of intense activity. This is the 11th budget that I have been in this parliament for, and it is a historic budget for a number of reasons. Normally, as I said, it is a time of intense activity. The process on the day commences with the press lockup, and it culminates in the Treasurer appearing in the House and delivering his budget speech. When that is over, members from both sides of the House take the opportunity to go through the budget papers very carefully and see what is in it for their electorates. That is a very important part of the budget process.

On this occasion, it was obvious that the budget was well received in my electorate and in the electorate of quite a few members whom I spoke to in the days following the budget. On the first day after the budget, my office did not have one inquiry about the budget. That is a fair indication of satisfaction. In the 10 years that I have been in parliament, I have never had a constituent ring me up to say that they had no problems. We get contacted by our constituents because they have problems. On this occasion, there was silence.

This is a historic budget also because it was crafted under the umbrella and context of tax reform. This is the first budget which relies on revenues from the government’s new tax system. Tax reform, as we all know, has been on the political agenda for the past 25 years. Major reform was proposed in the Fraser era, when the present Prime Minister was then Treasurer. Prime Minister Bob Hawke recognised the need for tax reform and had a tax summit in 1985. But did we get tax reform out of the summit in 1985? The answer is no. Then John Hewson, as the Liberal leader in opposition, committed a future Liberal government to tax reform along the lines of the Fightback package. Prime Minister Keating, after that 1993 election, extended the net of the capital gains tax, the fringe benefits tax and, of course, the wholesale sales tax at a time when we were told we would get income tax cuts because they were written in law, l-a-w. Those tax cuts never eventuated; instead, we got tax rises. Only the coalition has had the courage and the political will to do what we all know is right for the future of this country. The A New Tax System legislation put in place the most comprehensive tax changes this nation has ever seen. This was put in place in spite of the total opposition of the Australian Labor Party.

The Treasurer has produced yet another surplus budget. This is the Treasurer’s fifth budget. The net borrowings by the government during these five budgets is zero. In stark contrast, the accumulated debt by the Australian Labor government for their last five budgets was $80 billion. Not only have the coalition not borrowed one cent in net terms; we have paid back on behalf of the Australian people $50 billion of the accumu-
lated Labor Party debt of the last five Labor Party budgets.

Good budgets are disciplined budgets. On the expenditure side, the government over five years have been both responsible and prudent. The government have been firm but compassionate. We have cut, without a doubt, from areas of waste and made savings. We have allocated funds to areas of need, sensibly balancing fiscal responsibilities with the nation’s capacity to spend and live within our means.

Interest is the price of money. When a government is a big borrower in the market, it places upward pressure on interest rates and results in individuals and businesses paying those higher interest rates. High interest rates mean less consumption, less production and fewer jobs. Successive Costello budgets took the Commonwealth out of the borrowing market, resulting in lower interest rates and growth in consumption and production. Fiscal management and the state of the Commonwealth book enabled Australia to sidestep the Asian economic crisis. The Treasurer produced an economy which was growing strongly at a time when so many Asian economies slumped into severe recession.

In contrast, the Labor Party—under the stewardship of Mr Hawke, Mr Keating and the current Leader of the Opposition—put Australia into severe recession when those same Asian economies, those same Asian countries, were growing at between eight per cent and 12 per cent. The Labor government tried to spend its way out of that recession with money it did not have. The recession and the 11.3 per cent unemployment meant a shrinking revenue base, but the Labor Party continued to borrow and spend to the tune of $80 billion in five short years.

When the coalition took the prudent and responsible decisions which produced economic growth when other countries in our region were struggling, we were opposed by the Labor Party at every turn. The ALP has talked down each of the five Costello coalition budgets. The ALP has consistently questioned the achievability of the growth forecasts in all of those five budgets. The ALP has been wrong four times out of four; this budget will make it five out of five. As the Treasurer in his budget speech said:

Our economy has grown—above 4 per cent for 11 quarters—with strong and consistent growth in a way we have not seen for the last three decades. Stable economic growth means stable growth in government revenue—from increased taxes on business and individuals. As there are now 650,000 more people in jobs than when we were elected in 1996, there are 650,000 more people paying tax and far fewer people, relatively, receiving unemployment benefits. These are 650,000 people now adding to the productive capacity and output by business, resulting in GDP growth.

I congratulate the Prime Minister and the Treasurer, first, for choosing the right course for the future of Australia. I further acknowledge the Prime Minister and Treasurer for having the commitment and strength to follow up that course in each successive budget, particularly in this historic budget.

At a meeting of the House Standing Committee on Economics, Finance and Public Administration in Melbourne last week, we had our quarterly meeting with the Governor of the Reserve Bank. No matter how hard the Labor members of that committee questioned Mr Macfarlane, the Governor of the Reserve Bank, he consistently stated that he held in the highest esteem the economic management and the fiscal management of this government. Opposition members questioned him on that for what seemed like hours, and Mr Macfarlane was consistent in his independent assessment that the Howard government, with Peter Costello as Treasurer, had delivered a responsible fiscal policy for Australia, enabling monetary policy to be managed very efficiently.

The Leader of the Opposition in his reply to the budget was very strong on vitriol, sickeningly repetitive and, as usual, offered no alternative policies. The Leader of the Opposition opened his remarks by saying that, as he travelled around this country over the past 12 months or so, people were asking, ‘If the economy is supposed to be going well, why are things so tough for me and my family?’ Did the Leader of the Opposition reply to these people, ‘Because Paul Keating and I, Kim Beazley, left Australia with such a huge
debt of $80 billion that John Howard and Peter Costello had to pay back $50 billion in five years to pay for my sins as finance minister? Things were tough under the Labor government. We had record unemployment, record debt, record deficits and record bankruptcies. The thrust of the Leader of the Opposition’s reply to the budget was to conclude that our surpluses should have been larger—they should have been larger so that the government could pay off his debts more quickly.

The Australian people need to be reminded of this question over and over again: if there is a shortage of hospital beds, if there is a shortage of schools, if there is more demand for roads and rural infrastructure and other government services, would there be a problem if this government had not been left with a $9 billion annual interest bill by the Leader of the Opposition? That interest bill, of course, is over and above the capital repayments of the debt.

The government is only too well aware that not everyone has shared equally in the overall benefits of this government’s fiscal policy where Australia has achieved stable and sustained economic growth. Those of us in rural and regional electorates are only too aware of the extent of despair, disillusionment and anger among some people where the growth rates experienced by Australians as a whole have just not happened for them. It is obvious to all that Sydney is benefiting from spending on the Olympic Games. As part of a delegation some years ago, I had the privilege of visiting the Homebush site, the Olympic site, and we were informed then that the Olympic process meant that some $20 million per week would be spent on Olympic related activities, including infrastructure, transport and the construction of venues. The economic benefits to Sydney have been, and continue to be, enormous. Of course, any area in Australia which received or which could anticipate the expenditure of $20 million a week over three or four years would have benefited in the same way as Sydney has.

I have alluded to the fact that unemployment as a whole has fallen below seven per cent. In parts of Sydney, unemployment is as low as two or three per cent. Unemployment in some parts of regional Australia remains unacceptably high. Some parts of regional Australia are not experiencing the growth rates that the cities are. In my electorate of Fairfax in Queensland, a country town called Cooroy has had a number of things happen to it which have devastated the local population. The Beattie government has in place what they call a ‘regional forest agreement’. This, of course, is not a real regional forest agreement. There is no agreement with the Commonwealth. There was no consistency with the agreed principles of a regional forest agreement, but it has resulted in the closure of the Boral timber mill—80 jobs have gone. On top of that, Westpac closed their longstanding branch in that town. Added to that, the local private hospital has appointed an administrator and a further 90 jobs have been lost. When Noosa Hospital was built and recently opened, the state Labor government promised to refer their overflow demand patients to Cooroy, but that promise was another Labor promise—and it never happened.

In recognition of these special factors, the coalition has placed a special emphasis on regional Australia and its problems. I urge all members to read carefully the budget statement Regional Australia: making a difference. As a former minister for regional development, I know how much emphasis, care and compassion have been devoted to the people of rural and regional Australia. This budget paper brings together in one document the emphasis on expenditure on government programs for rural Australia. It is a most comprehensive and first-class document that I commend to all members. The initiatives that the government has taken in this budget in rural health and rural health services will go a long way to filling the gap, bridging the gap, between the level of health services available to everybody in the cities, which is taken for granted, and the services that people in country areas, rural areas, regional areas, want. They have a right to the same level of services as people in the cities. I commend the budget to the House.

Mr TANNER (Melbourne) (5.49 p.m.)—This budget marks a significant stage in the degeneration of the fiscal management of the
Howard government. We have seen over the past couple of years a major deterioration in the performance of the government on the fiscal front. We have seen an outburst of profligacy, particularly in the earlier part of this year, which I will get to in a minute. But, more broadly, we have seen a slow and steady deterioration in the fiscal health of the nation which has, until recently, gone relatively unremarked on by economic commentators but which, nonetheless, is now placing the nation’s finances in some jeopardy. We are seeing a government that is driven by panic—it fears every last little political controversy that emerges from time to time—and has no response other than to throw money at those particular issues, often in ways that are not appropriate to addressing those problems.

In the first Costello budget in 1996, cuts amounting to $24 billion over four years were made to government expenditure. What is less well known is that, in that four-year period, expenditure has been a total of $38 billion more than was originally forecast in that budget. In other words, the government has taken away $24 billion in expenditure in major areas, very important areas, and, over that time, has expanded expenditure in many other areas—not in the sorts of areas that the expenditure was taken away from—to the tune of an additional $14 billion. If we look prior to the current budget, what we see in the period between the 1999 budget and the midyear economic and fiscal outlook papers is a substantial deterioration in the state of the budget. For example, the estimated expenditure for the 2000-01 budget that was contained in the 1999-2000 budget was revised upwards by $24 billion in expenditure in major areas, very important areas, and, over that time, has expanded expenditure in many other areas—not in the sorts of areas that the expenditure was taken away from—to the tune of an additional $14 billion. If we look prior to the current budget, what we see in the period between the 1999 budget and the midyear economic and fiscal outlook papers is a substantial deterioration in the state of the budget. For example, the estimated expenditure for the 2000-01 budget that was contained in the 1999-2000 budget was revised upwards by $5.9 billion in the midyear economic and fiscal outlook papers, and the estimated revenue was revised upwards by only about $3½ billion. In other words, a couple of billion dollars worth of slippage occurred in the fiscal settings between the 1999 budget and the midyear outlook papers only six or seven months later.

Subsequently, we have seen further slippage. In particular, in the latter part of the financial year that is soon to end, we have seen an extraordinary pattern of panic on behalf of the government. We have seen time after time specific controversies emerge to which the government has only one response—another little program, another little dollop of money and in some cases very substantial amounts. In some instances, the erosion that has occurred has been justified. For example, the commitment with respect to East Timor clearly is something that the opposition supported. It was unforeseen and could not have been predicted. We have also had the extraordinary deal with the Democrats which has cost effectively $2 billion or thereabouts, just under $2 billion, in the forthcoming financial year and further substantial amounts in subsequent years and a variety of changes including the private health insurance subsidy, the additions to the social bonus with respect to Telstra and a plethora of smaller initiatives, all of which have added to expenditure or reduced revenue.

What we have seen is an erosion which reached a peak in one week in April when, as a result of, amongst other things, questions in the House about the infamous John and Wendy problem and a variety of other issues, as a result of pressure on issues such as contractors evading PAYE taxation and other tax avoidance matters—GST problems—the Howard government committed itself in one week to an additional $1.19 billion in expenditure or reduced revenue over four years. Within one week of parliament sitting the government committed itself in a panic to $1.9 billion effectively off the budget bottom line. That is the sort of deterioration that was occurring prior to the budget. In the list that has been drawn up by the opposition of the sort of deterioration that has occurred, you will see that it actually reads a bit like a list of Daily Telegraph headlines over the past six months or so. We have nursing homes, mandatory sentencing, FBT on charities, petrol prices in the country, alienation of personal services, income, contractors, capital gains tax, postgraduate students, John and Wendy, tax shelters, the families package.

That one was a ripper. That would have to be the most expensive advertisement in the history of the Daily Telegraph, because that is essentially what it was—it was about getting a nice advertisement on the front page of
the *Daily Telegraph* to alleviate the government’s political woes at the time. It was $240 million over four years. That is a very, very expensive advertisement. That is what it was all about and that is effectively what it is going to deliver. Perhaps it would have been more fiscally sensible for the government to spend $100,000 or whatever it costs for a front page advertisement in the *Daily Telegraph*. That might have been better value for the taxpayer. Perhaps they could have used a banner headline such as ‘John Howard is a great man’ or something like that. They might have had some problems with the Advertising Standards Council and the Trade Practices Act with something of that nature. But, nonetheless, it certainly would have done the taxpayer a great favour. What we have seen is a pattern of deterioration in the health of the finances of the nation, a steady decline in the fiscal settings which this government has failed to address in the budget, which forms the basis for these appropriation bills that are before the House today.

We then proceed to look at the pattern which has arisen. Firstly, in the 1997 budget the estimate for the surplus that was going to accrue for the forthcoming financial year, the subject of this year’s budget, was just short of $11 billion. By the 1999 budget, that had been refigured to a mere $3.1 billion. In the mid-year economic and fiscal outlook papers, that had fallen to $0.5 billion. This budget notionally returns that surplus to a slightly healthier position of $2.8 billion. But it is now notorious that that surplus is totally phoney for a number of reasons. First, it is phoney because it relies on $2.6 billion worth of asset sale proceeds that will come from the sale of spectrum licences. They are de facto asset sales. There is no way around that. No matter what criticisms may have been made of previous governments for including asset sales in their bottom line, the fact is that that criticism was ultimately met with changing perceptions, so the underlying deficit or surplus became the key indicator. And these are de facto asset sales—they will not recur every year as ordinary revenue through taxation and licences and other matters do. These are de facto asset sales and they should be treated as such. That is the effective surplus wiped out straightaway.

Secondly, you can add to that the fiddle with respect to the $1.65 billion so-called loan to the states as part of the GST smoothing process to cover the early period when the GST will deliver insufficient revenue to the states, according to Treasury projections. That has been indicated by state auditors-general, and in estimates recently the federal Auditor-General agreed with them that that should be categorised as a grant—that is, as an outlay, not as a loan. Thirdly, Reserve Bank dividends have been effectively shifted in financial years to the forthcoming financial year to prop up the state of the finances for the 2000-01 financial year. In overall terms you have a fiscally deteriorating situation where this government has moved from a position of some degree of fiscal health to a position of resorting to fiddles in order to maintain an appearance of surplus, an appearance of fiscal probity, when in fact quite the opposite is occurring.

So we have seen a deterioration and a degree of profligacy that, had it occurred under a Labor government, would have us hit with massive criticism from all quarters, particularly the quality media. Thus far, the criticism the government has received on these issues has been limited. But, nonetheless, it is starting to mount. The chickens are coming home to roost, and it is long overdue because the nation’s finances are effectively being placed in a fragile situation where our ability to respond to economic downturns is being eroded. There is no doubt that, when and if we see a situation of substantial reduction in growth, the government’s ability to respond to that without seriously putting the budget in a very, very substantial deficit, and potentially unsustainable deficit, has been eroded by short-term profligacy, by knee-jerk responses to short-term political bushfires, many of them relatively minor.

Central to the whole problem is that a lot of the expenditure that has been committed is suboptimal at best. A lot of it is something that in isolation you might say is perfectly reasonable, but when compared with the opportunities that this government has missed—the big major investment opportunities in infrastructure and in improving the nation’s economic capacity—it is profligate
in the extreme. For example, if we look at the Regional Telecommunications Infrastructure Fund, we will see consultants being paid to produce a communications strategy for the Eurobodalla Shire Council or Norlink, a regional communications strategy—amounts of money that are not huge in themselves, $100,000 or $150,000, but these are only a couple of examples of numerous examples of money essentially being spent on things that ultimately do not deliver very much beyond the employment of the people doing the activities.

It does not alter the economic dynamics. It does not change the structural economic situation to make an array of businesses more profitable, to have the cost structures changed, to ensure that infrastructure is more efficient, delivered to people at lower cost and creating greater export opportunities and the like. When you look at the Natural Heritage Trust, the Centenary of Federation Fund, the Regional Telecommunications Infrastructure Fund, social bonus programs and the private health insurance subsidy, you see billions of dollars with a substantial pattern of misuse of money, inappropriate allocation of money, where you do not get the economic value that could otherwise emerge from the allocation of that sort of money.

There are enormous things out there to be done by government—for example, fixing up the Murray-Darling Basin properly and comprehensively by improving the infrastructure, ensuring that seepage and evaporation is minimised in the Murray-Darling system and providing opportunities for rationalisation of the industry so that we have long-term sustainable water use there. That is a big issue that government needs to address. Another big thing that government should be doing is expanding access to the Internet, ensuring that virtually all Australians will be online within a very short period of time by providing them with access to the infrastructure, the skills and low cost opportunities to get the Internet into their homes. The government should be providing finance to ensure that these sorts of things occur, so that business and Australians generally can benefit economically, so that the opportunities that are generated by that sort of investment by government will flow through into the broader economy, rather than being used simply for, as under the Centenary of Federation Fund allocation, the refurbishment of the town hall. That in a sense is typical of the way that this government has gone about spending money. In isolation, that is a good thing—there is nothing wrong with refurbishing a town hall; it provides some short-term jobs for a few plasterers, painters and the like and that is a perfectly reasonable thing—but it does not provide the longer-term spin-off additional economic activity by changing the economic fundamentals.

I refer again to another huge national project that is just waiting for a bit of government vision and leadership and substantial private investment, which could be leveraged into it if we had a government with some sense of vision, and that is interstate rail infrastructure in this country. While we have people throughout the length and breadth of the land pursuing ideas about very fast trains and a whole range of visionary rail projects, we are seeing the interstate rail infrastructure in this country wither before our eyes through lack of government investment and leadership. We are seeing a substantial deterioration to a point where it is potentially going to be totally uneconomic within a decade or so. Substantial government and private investment is required—not ridiculous amounts of money but just a clear strategy to bring the state of that track up to something even approaching world-class standard. That would have an enormous impact on many exporting businesses and a great impact on the economics of a lot of activity throughout the length and breadth of Australia, and of course it would have the same sorts of employment generating consequences, multiplier effects, for Australians in many parts of regional Australia.

These are the opportunities that this government is missing. These are the possibilities for intelligent, substantial government investment in economic activity in infrastructure that will provide longer-term spin-offs for the private sector and which, in many cases, will need to be done in partnership with the private sector, with the riskier components of the activity appropriately allocated.
to the private sector. But what we are seeing is profligacy, waste and fiscal loosening for no great economic value and, in a sense, the creation of negative circumstances that will potentially cause significant problems for us in the future.

The budget of course has also let the cat out of the bag on the fallacious nature of the tax cuts that are being offered. We can see from the projected revenue from income tax over the next few years that, within one year, the total revenue earned from income tax will go back to where it was prior to the tax cuts, and then it will increase again by about seven per cent in the following financial year and 11 per cent in the financial year after that. Yes, growing population and more workers in the work force are factors there, but clearly bracket creep is an important component as well. This is the one question that this government will not answer. It proudly proclaims that 80 per cent of Australians will be on a marginal tax rate of 30 cents in the dollar after the new tax system comes in. The question it will not answer is: how many of that 80 per cent will still be on the 30c rate in two, three or four years time? It will not answer that because the answer is that it will be a substantially lower number, and it is going to keep getting lower. That is what the budget papers give away.

The budget has extremely complacent macro-economic assumptions built into it: 3.375 per cent growth, then 3½ per cent, 3½ per cent and 3½ per cent. Other than the immediate spike, inflation is assumed to be literally unaffected by the GST, by growing wages pressures, by potential skill bottlenecks, by the decline in the value of the dollar and the pressure that places on the price of imports, by various factors in the system, particularly in New South Wales with the Olympics, the prospective demutualisation of the NRMA and a variety of other issues. All of these things are assumed away. The business investment climate is assumed to be suddenly transforming after a substantial period of flat business investment, and the fact that we have had high growth driven by consumption and by consumer debt is essentially being ignored.

There are very benign assumptions built into the budget forecasts, including an assumption that unemployment will go down to around six per cent. Realistically, the outlook is probably not quite as good as that. The problem is that, if the outlook is not quite as good, the surpluses that are budgeted for disappear almost instantaneously. There is no room for manoeuvre and no slack to take up the impact of declining growth, which could be externally generated or come from domestic conditions, or a mixture of both. There is no room for manoeuvre whatsoever. The nation will be put into a position where our capacity to respond fiscally will be substantially weakened by the profligacy of the Howard government over the past couple of years.

The broader economic conditions are hard to interpret—they always are. I think that what is likely to occur is that we will see a slow-down in growth, perhaps to below even three per cent. Depending upon external circumstances in the United States and the like, it could go well below that. But, as soon as growth goes below three per cent—which is still a fairly respectable area—the budget will automatically be in deficit, even on the government’s figures. Even on their characterisation of what constitutes a surplus, the budget will move automatically into deficit, at a time when there are substantial inflationary pressures, including fiscal loosening as a result of the tax cuts and the other things I have identified in the latest budget, and at a time when inflation is likely to be edging up. So I think it is a realistic assessment to make that there is a fair prospect that, over the next 12 to 18 months, we will see in a sense a mild bout of stagflation: we will see growth actually deteriorating while inflation increases. That is a serious prospect. I do not think we will see anything like we saw in the 1970s on that front; nonetheless we will, in my view, see a deterioration on both fronts, which is not good news for the economy and is very definitely not good news for the budget.

The final thing that is worth remarking on in this context is the deterioration in parliamentary scrutiny, a deterioration that has been allowed and orchestrated by this gov-
ernment of the nation’s finances. We have seen the government refuse to provide detailed forward estimates of expenditure plans, under the guise of the introduction of accrual accounting; and so it is no longer possible to see what the government plans to spend on schools, for example, in forthcoming years. We have seen them make ever-growing use of the commercial-in-confidence excuse as a reason for denying information.

The minister at the table, Minister Abbott, is a master at this: a question on notice was asked of him about the number of clients that Job Network providers in the eastern suburbs of Melbourne had seen over a given period, and he refused to answer, on the basis that this was commercial-in-confidence. There is $3 billion over three years of taxpayers’ money funding those programs. They are exclusively funded by taxpayers’ money, yet we cannot find out that sort of basic information in parliament about those programs. So, not only is the government fiddling the figures and not only has it been profligately wasting taxpayers’ money, but it is also denying this parliament the ability to properly scrutinise the expenditure which is being conducted. So you are seeing not a double whammy but a triple whammy for the finances of the nation. I move:

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

whilst not declining to give the Bill a second reading, the House condemns the Government for its:

(1) failure to address the significant investment needs in the areas of education, health and the provision of social services in the 2000-2001 Budget;

(2) wasteful and profligate spending on poor quality programs to buy Democrat support for its unfair GST;

(3) misuse of over $360 million of taxpayers’ money on its politically partisan GST advertising campaign;

(4) reduction of a potential Budget cash surplus in 2000-2001 of $11 billion, to a real Budget deficit of $2.1 billion;

(5) use of creative accounting techniques in an attempt to deceive the Australian public on the true state of the Budget;

(6) mishandling of the move to accrual accounting by providing complex, confusing and uninformative budget documents;

(7) failure to identify in the Budget papers the cost of GST collection and implementation; and

(8) failure to put in place arrangements that deliver its guarantee that no Australian will be worse off as a result of the GST package.

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—Is the amendment seconded?

Mr Kerr—I second the amendment.

Mr CHARLES (La Trobe) (6.10 p.m.)—I am delighted to have this opportunity to address the Appropriation Bill (No. 1) 2000-2001 in the so-called budget debate. It is interesting following the member for Melbourne. The member for Melbourne is always interesting. I found his presentation tonight somewhat puzzling, I might say. It seemed to me that, despite his so-called great knowledge in this area, he was saying that if the ALP were in government and if he occupied the Treasury bench, then somehow the economy and the budget would be in better shape. But I sat for some six years in opposition and some of my colleagues sat for 13 years in opposition and I do remember former Prime Minister Keating saying, ‘This is as good as it gets,’ and I remember him bringing home the bacon one night as well, and it was not so crash hot.

I do very definitely remember closing down my company in 1992 because interest rates in 1991 had been so terrible that they had literally destroyed the construction industry in Victoria—the major portion of it—and there just was not enough business. There certainly was not enough business at any profit or even at break-even, so we simply gave up and went away into the night. I suppose that the ALP and those in the opposition now think that those were grand old times and that they were great times for the economy. Well, I have got a substantially different view.

It seems to me that the economy is really ticking along very smoothly. We have still very high growth by world standards. Treasury is predicting 3.75 per cent growth for this financial year. The member for Melbourne said that he suspects that we might not get there. They on that side of this House seem to
have very great difficulty producing budget surpluses when they occupy the Treasury benches. Notwithstanding that, it seems to me that Treasury’s ability to forecast growth has been very good and, if anything, conservative. So we are still maintaining high growth rates, and high growth rates are good for Australia. And why is that? Because they mean more economic activity, more people in jobs, and better pay. They demonstrate higher productivity, which makes us more competitive in world markets.

It seems to me that the economy today is also characterised by still very low inflation. The member for Melbourne wants to cast some doubt on future numbers and on whether the GST spike in this financial year will then deteriorate to a base inflation level at or around or below two per cent. He cast some doubt on that, but a lot of economists believe that that is exactly what will happen. History tells us that when you introduce a value added type tax system, an across-the-board consumption tax, there is an inflation spike—obviously, because more things at a consumption level are being taxed and people are paying less income tax—but that, at the end of the roll-through, inflation goes back to its natural base level.

Inflation does not appear to be a major problem. We still enjoy very low interest rates, by both international standards and Australian historical standards. I can remember—I think it was 1989 or 1990—being hit with commercial rates on commercial properties with something like 24 per cent. That is a killer. Six per cent and seven per cent are very nice numbers. They are very affordable. There are a great number of Australian families that applaud this government for having run the economy so well that interest rates have indeed stayed very low. I noticed in today’s newspapers, talking about this ticking along economy, that balance of trade is improving; that we have, since last October or November, shed about $1.3 billion a month in trade deficit. The figure for April ranges, I believe, between $500 million and $600 million in trade deficit. That is a dramatic improvement—the best figure since 1998.

There is no structural reason we cannot trade with the world if we continue to push for open and free trade. If we continue to take international actions like supporting China becoming a member of the WTO and giving us better access at lower tariff rates to the Chinese market, if we continue to do those positive things that help us trade internationally, there is no reason on earth we cannot once again have a positive balance of trade. I can tell you that I greatly look forward to that day. It is, I believe, one of the things that most encouraged me to come into this place: that we should demonstrate to the Australian people that we are capable of playing with the best in the world. There is no reason we have to accept second best. There is no reason we have to import everything. Certainly, with our small number of people, there are items, there are technologies and there are even services which we will choose to import. But there is no reason on earth, with our high degree of education, our high level of competence and our history in international trade, that we should not be able to sell the rest of the world more than we buy, whatever it is that we sell them.

I note also that unemployment is continuing to fall, and we all applaud that, don’t we? I remember a few years ago—I think it was 1990 or 1991—I visited a primary school and talked to the grade 6 children. They were then just starting to study what they called ‘civics’. I talked very briefly about the three levels of government and then let them ask me questions. The questions went something like, ‘Do you have any children?’ ‘What kind of car do you drive?’ ‘Do you know Bob Hawke?’ ‘Have you ever met Paul Keating?’ ‘How much money do you earn?’ Four years later, grade 6 again—mind you, by this time the culture of studying civics had worked its way through the whole school—and one young man said to me, ‘Oh, Mr Charles, if you had the opportunity to initiate and pass a law through the federal parliament, what would it be and why?’ I still think that was a very sophisticated question from an 11-year-old. My answer to that young man was that I would put together a series of measures that would guarantee that anyone that wanted a job could work. Wouldn’t that be wonderful if we could guarantee that every Australian and every person living here as a permanent resident that wanted a job could have a job?
That would be fantastic, wouldn’t it? We are not there yet, but unemployment is still falling. It is gradually coming down. We should all applaud that. None of us wants any Australian to go without paid work. We know how devastating it can be for young people, particularly those growing up in families where neither parent works and in a culture which is not supportive of them finding employment and making useful use of their own lives so that they can enjoy their lives as well. It is very hard, really, to enjoy life when you have nothing to look forward to and when you have no contribution to make, either to yourself or to the society that helps sustain you. Unemployment is falling.

Along with this ticking along economy, I also note that the Treasurer has said that for the fourth budget in a row there is a budget surplus, and that by the end of this financial year the coalition government will have reduced net debt—not gross debt, but net debt—by $50 billion. That is a fairly substantial sum. Considering what Labor did to us in the years running up to 1996 when we won and assumed the Treasury bench, it is an outstanding effort. I was a bit disappointed in the member for Melbourne. I understand that oppositions oppose. I was definitely there for six years—I know oppositions oppose. But he seemed to me to be a bit churlish in his lack of willingness to accept the fact that some very good things have happened to this economy as a result of the way the coalition has run it. He went on to criticise the government for spending profligately, as he put it, on some mickey mouse, supposedly patch-up programs to fix things—I guess like the 30 per cent rebate for private health cover which has so dramatically increased the number of people now back in private health funds, taking pressure off public hospitals and the public health system. I would have thought that that was something the member for Melbourne would have applauded. But no—these are just patch-up measures brought in in a knee-jerk reaction to some perceived or actual problem.

In any case, it is the fourth budget surplus in a row. This is real stuff. This is not pretend stuff. This is not maybe it might happen or perhaps it could happen stuff. This is four times in a row for a budget surplus, and a $50 billion net drawdown on the Commonwealth debt. I give the Treasurer an A plus in economic management. I think he deserves absolutely an A plus. Professor Charles, member for La Trobe, gives the Treasurer an A plus for economic management for the way he has structured this budget and the way that he has helped direct the Australian economy since 1996. I would think that all honourable members would join with me in that sentiment. I note, however, that the opposition probably does not share my views so well. I think one of the reasons for that is the fact that they are so completely dominated by ex-members of the trade union bureaucracy, so they traditionally want to be driven by sectional interests, for sectional power purposes, rather than for the national interest all together.

I noticed reports—in the Australian press, at least—of the reception of New Zealand’s relatively new Labour government under Helen Clark. The business community’s reception of actions that her government is taking or proposes to take are not exactly very positive. In fact, they are quite negative. She proposes to do the same sorts of things that the Leader of the Opposition proposes to do, and that is to bring back into greater power those same trade unions who have lost so much of their membership over the last decade; to allow them, once again, a seat at the cabinet table; and to let the unions tell the companies how to run their companies, rather than the companies deciding how to run their companies and the unions perhaps assisting them by bargaining and using their influence for the benefit of their members, rather than for the benefit of themselves. The member for Melbourne said that our fiscal health was deteriorating. I deny that, as I know the Treasurer denies that. Our fiscal health is sound and solid.

In another month and two days we will embark on a new venture in taxation, unparalleled in Australia’s history. We are going to actually reduce income tax—no joke, no pretence, no l-a-ws, but really do it. It is really going to happen. Income tax is going to be reduced dramatically. People are going to have more money in their pockets to pay
for goods and services or to save—whichever they wish. But they will pay a higher impost for things that they buy, both goods and services, overall as we switch from overreliance on income tax to a broader based reliance on a consumption tax, a goods and services tax, a value added type tax.

Provisional tax is going to be eliminated. I have one heck of a lot of constituents that say, ‘Gee thanks, Bob.’ They are really happy to get rid of provisional tax, because they are sick to death of it. I have a lot of families that are delighted at the consolidation and increases in family payments, because La Trobe has a great number of young families and there is a rapidly growing area in my electorate around Berwick-Narre Warren. Those young families will look forward to receipt of greater family payments. I have in my electorate a reasonable number of pensioners, and pensions and allowances are also going to increase. I think some of the scaremongering by the opposition has been absolutely appalling, but come 1 July, and allowing a month or two for things to settle down, I think people will see that this new tax system offers us a great deal of advantage.

In New Zealand, which I visited to see how their goods and services tax had bedded down after a couple of years, I had great difficulty—even wandering around supermarkets and talking to cab drivers, to businesses, to local councils—finding anyone who did not think it had been a terrific change to reduce income tax and to bring in a broad-based consumption tax. I will admit that theirs was a bit simpler than ours will be, because they did not exempt anything. That is to say, there is tax paid on the lot. We have compromised a bit in Australia, so that makes the issue slightly more complex. Nonetheless, it is a broad-based tax across almost all goods and services. It gives people choice. You decide whether you want to pay tax or not. Because, if you do not want to spend, then you do not pay the tax.

Reducing company tax to 30 per cent by June 2001 is an encouragement to our corporate sector to expand their operations in Australia. It is an encouragement for new companies and new operations to establish here, as we will have one of the lowest corporate tax rates in the world by next June. We will dramatically reduce and simplify capital gains tax. Madam Deputy Speaker Crosio, you will recall that the capital gains tax was a Labor tax. It was not a tax a coalition government ever brought in. It was a tax that Labor brought in. I actually did not oppose capital gains tax, because it seemed to me that if you went long enough without any capital gains tax then individuals and companies would find mechanisms to take their legitimate income and manage to somehow treat it as capital rather than income. But one of the problems with the capital gains tax is that the Labor government made it a bit too high. We have suffered for that, and it has had a stifling effect on our businesses. So dramatically reducing capital gains tax, simplifying it, and allowing small businesses particularly to use their capital gains as their retirement fund has been applauded across the entire economy.

The Australian business number will change the way Australian companies do business. It will mean that our companies, like New Zealand companies, will do a better job of keeping records, will do a better accounting job, and our big companies are likely to become much more professional. It is a great budget and an A plus Treasurer.
While most of the emphasis of this budget is on services to regional and rural Australia, a fact which has received very little attention is that our densely populated cities and metropolitan suburbs are also carrying the burden of the Howard government. This budget offers little or no compensation for the impact the GST will have on the lower and middle income earners in our own suburbs—the constituencies that we represent here as members of parliament. The budget figures reveal that the promised income tax cuts due to come into effect on 1 July will be eroded within one year. In fact, the budget figures show that within two years Australians will be paying $5.1 billion, or $600 a year each, more in income tax than they are paying now. The Treasurer, the Prime Minister and in fact the entire coalition government have been running all over the countryside ranting and raving about how they have delivered the biggest income tax cuts in history. Their own budget papers reveal that this is not the case, for within that one year the income tax cuts will virtually disappear.

This is a budget which destroys this government as responsible economic managers. This government claimed that this year it would deliver a $10.7 billion surplus. Now the surplus has completely disappeared. The government would like us to believe that there is a $2.6 billion surplus. However, without the expected sale of the mobile phone spectrum, in this budget we could in fact be and are $2 billion in deficit. The expected $10.7 billion has now been whittled away. There are so many places where this money could have gone: into education, into labour market programs, into the public health system or into research and development. However, the only major spending initiative by the Howard government has been its obsession with selling the GST to the Australian people. The new economy requires skill, innovation and investment in research. These are areas where the new jobs are created. We must produce an economy where our traditional industries are modernising while at the same time the economic growth is reinvested into new industries. Australia must create a climate where skills, knowledge, education and innovation can easily be translated into economic growth. However, this budget does not create this climate.

Australia once had a positive outlook in the areas of education, research and development and science. This has now turned around to a downward direction in regard to the percentage of GDP. Other nations have seized the moment to invest wisely in these areas. It is a fact that the OECD average business investment in research and development is more than 1.2 per cent, but in Australia it is currently 0.7 per cent and falling rapidly. This government since 1996 has made cuts of over $2 billion to labour market programs and has cut more than $2 billion from innovation incentives to modernise our industries. In this budget it has become apparent that Australia has well and truly been left behind. Budget 2000 leaves us providing no solutions to the long-term problems that we face. I believe, and I am sure that many others on both sides of the House agree with me, that knowledge is one of the most valuable resources that a country can have. Education is an invaluable investment. Now is the time when it is most important for our nation to invest wisely and provide a quality education system which is accessible to all parts of our population.

Let us take a look at what this budget in this crucial year 2000 offers us in the way of education. Of the five budgets of the Howard government, this budget contains the least amount of new spending on education. What a claim to fame that is. Here we have a government with a reputation of being one of the most ruthless with spending cuts in our history, and now delivering a budget with the least amount of new spending on education that we face. I believe, and I am sure that many others on both sides of the House agree with me, that knowledge is one of the most valuable resources that a country can have. Education is an invaluable investment. Now is the time when it is most important for our nation to invest wisely and provide a quality education system which is accessible to all parts of our population.
taking them out four years later. But even the 1996 budget had more funding for education than this budget. Total new education spending in the year 2000-01 budget is $62.1 million over four years. Put simply, this is 86c per person per year. By international standards, our investment in education is well and truly inadequate. Countries which have taken a lead role in the development of the new economies, such as the UK, the United States and Singapore, are all looking to increase their spending on education. But Australia remains the odd one out among developing nations in this area.

We all know where the priorities of this government lie in terms of education: on so-called education about the GST, which has so far cost taxpayers more than $360 million in one year. Almost by the week now this figure seems to be increasing. This fifth Howard government budget allocates $62.1 million extra over four years in new education money, or 86c per student per year, while on the other hand the government has spent more than $360 million in its so-called education program for the GST. That is $360 million in just one year, and yet there is only $15 million of new money for education in one year.

It is obvious that this government’s obsession with the GST comes at the expense of our future. This government knows that universities are facing a funding crisis, particularly in regional Australia. Dr Kemp’s cabinet submission paper admitted to it. But there is nothing in this budget to ameliorate this funding crisis. In 1994-95, Commonwealth funding for education was 2.2 per cent of GDP. In this year’s budget, as we move into an era where knowledge, multiskilling and education are crucial, education funding in Australia stands at 1.8 per cent of GDP and is predicted to fall to 1.7 per cent by 2003. This is obviously not the budget which will take Australia into the new economy with a highly skilled and educated work force. This budget is high on promises but, based on the track record of this government, it will undoubtedly be low on delivery of services. In its commitment to public health, this government has failed to deliver on many of the promises it made in the previous budgets. In this budget, $562 million is promised to rural health over four years. How can we be expected to believe this promise when this is the government that said in 1999 that it promised 200 rural medical scholarships. Now we discover that the first scholarship will not even be awarded until after July 2000. This package to the bush is just an attempt to buy back the votes of rural Australia. This government’s cost-cutting agenda over the past four years has all but crippled many regional areas.

This is not just confined to rural Australia but also includes our metropolitan regions. I know from the experience in my own electorate—where many people are now feeling the effects of four years of this government’s cost cutting on essential welfare, public health and education services—that many people are doing it very tough indeed. There is nothing in this budget for these people who are now struggling and particularly the people we represent in our struggling suburbs. There is no extra money for public hospitals in this budget. Public hospitals are the most important area of concern for many of my constituents who simply cannot afford private health care and rely on an efficient, accessible and high quality public health system. These values in the public health system are seriously under threat as the government, through this budget, is obviously more concerned about making private health insurance a necessity rather than an optional extra. This emphasis on private health insurance comes at the expense of maintaining a high quality public health system.

A recent independent inquiry recommended that public hospital funds should be indexed. If this were the case, an extra $630 million would have been required in this budget to improve essential services in our public hospitals. However, there is no extra money in this budget for public hospitals in our metropolitan areas. But, of course, the former Liberal Premier of Victoria Mr Kennett will be paid $57,000 for 30 days work to study depression. We have come to expect these sorts of favours from this government, especially in the Health portfolio. The minister himself, through maladministration and forgetfulness, has produced one of the big-
gest medical scandals we have seen. The Minister for Health and Aged Care claims categorically that at the meeting with radiologists on 6 May 1998—only days before that 1998 budget—he did not pass on any crucial information dealing with the now infamous MRI machines. The Auditor-General’s report into the scandal said that on the balance of probabilities—that is, taking into account all the people the minister spoke to—the meeting of 6 May 1998 was where many radiologists found out about the MRI machines. This raises the question: if it wasn’t the minister, then who did leak the information? While the Auditor-General’s report, due to conflicting evidence, could not directly conclude that the minister leaked the information, the Auditor-General did say, however, that the negotiation process was flawed. The minister needs to be held responsible for his department’s action and the flawed negotiation process. The fact remains that, after the meeting the minister had with those radiologists on 6 May 1998, some 33 orders for MRI machines were received between then and the cut-off date.

Then we go other ways, when we look at what can cast serious doubts over this government’s credibility and continue the damage to the government’s appalling record of ministerial conduct. In this budget $135 million over three years is allocated to the government’s half-baked Employee Entitlements Scheme. This is an issue which over the past year has received so much attention in the media as businesses continue to become insolvent, resulting in thousands of employees losing their entitlements. So, characteristic of this reactionary government, they have finally decided to do something, and in this budget funds are allocated to their Employee Entitlements Safety Net. The Employee Entitlements Support Scheme will cost the Australian taxpayer $135 million over three years. This scheme is only a safety net scheme; it goes nowhere in the direction of protecting 100 per cent of employees’ entitlements, and it does not guarantee any type of payment to any employee. For a start, employees that are entitled to this scheme are possibly eligible to a maximum of 29 weeks pay at ordinary rates up to a maximum rate corresponding to $40,000 per year. Payments will be capped at just $20,000. This would leave those who earn more than $40,000 per year out of pocket and those who have accrued more than $20,000 in entitlements short of what they are entitled to receive. Furthermore, this government continue to remain uncommitted to securing 100 per cent employees’ entitlements; so they will now only take responsibility for 50 per cent of the funds towards this scheme.

I have raised these points time and time again in this House, and I will continue to criticise this government until in this country we have 100 per cent of employees’ entitlements secured and guaranteed—not some half-baked, 50 per cent, phoney commitment to a $135 million taxpayer funded safety net scheme, to which employees will, possibly, get only some of their legally accrued entitlements.

This budget supposedly also paves the way for the A New Tax System, a tax which robs the future to pay for the past. As this budget is the last before the introduction of the goods and services tax, it seems the more we learn about this dreaded tax the more the government wants to wash its hands of it. For a start, promised income tax cuts commencing on 1 July were, as the Treasurer himself said, not meant as compensation for the GST. If that is the case, then, Treasurer, where is the compensation for the GST? The GST is a tax which will lump an extra 10 per cent on top of almost all goods and services. It is a tax which will take $30 billion out of the pockets of Australians each year. If promised tax cuts are not compensation for the GST, as the Treasurer has already stated, that points to the obvious conclusion that there is no adequate compensation for this $30 billion of tax Australians will be paying each year.

However, this tax only gets worse. The budget figures reveal that the promised tax cuts—‘the biggest tax cuts in history’, as the government like to quote and as the Treasurer continues to claim—will disappear within a year. Also, within two years Australians will be paying $600 per year more in tax than they are now paying, as well as being lumped with a $30 billion GST on top of that. Not only will people be paying the GST when it commences on 1 July but we now know that
the GST will have an immediate inflationary effect on prices. This is in direct contradiction to the government’s pre-election promise that prices would rise by only 1.9 per cent. The closer we get to the commencement of the GST, the more we discover how deeply it will affect Australians. We now know that Australians will be paying their $30 billion in GST per year, income taxes will eventually rise and prices will rise across the board by anything up to 6½ per cent. It only gets worse. Next we have a rise in interest rates. Let us remember that over the last 12 months interest rates have now increased four times, with economists predicting more interest rate rises on the way. Rising interest rates are a direct result then of a rise in inflation. With the government now admitting that the initial impact of the GST will increase prices, home owners can only expect more rises in interest rates as a direct result of the GST.

We then have to ask ourselves: what good has this budget brought to Australian families, to parents, to students, to self-funded retirees, to pensioners and to other sectors of the community? After slashing more than $3 billion in funding to education and more than $2 billion from labour market programs since the 1996 budget and cutting $4.5 billion from social welfare programs over the preceding four years, the Australian community is now saying enough is enough. This GST is a massive tax on Australian families, and the Treasurer has admitted that he still cannot provide adequate compensation for the impact of the GST. This is a grim reality. I would like to quote the case of a 79-year-old pensioner in my electorate of Prospect. She informed me that she will have to start at her age looking for work again, after already working 52 years of her life, just to afford the price increases—the price increases which the government now admits are a direct result of the GST. She has told me that there is absolutely no way she will be able to cope after the GST because it will cause those prices to rise.

In conclusion, this budget delivers three things: higher prices, higher taxes and higher interest rates. It could have been the 2000-01 budget which would have invested in the future of this country to build the knowledge nation. Instead, it invests only in lumping a $30 billion tax on the Australian people. It is a budget which sends Australia backwards, led by a government trapped in the past and obsessed with selling the goods and services tax. It provides $135 million to a half-baked employee protection scheme which does nothing to guarantee the protection of 100 per cent of employee entitlements in the case of employee insolvency. It exposes the myth of the 1 July tax cuts, which, as the Treasurer has said, were never meant as compensation for the GST. We discover through this budget that these tax cuts will disappear again after one year and income tax will continue to increase over the next two years. We have a $10.7 billion estimated surplus which has been squandered on the GST promotion, advertising, education and implementation. Now in real terms we have an actual $2 billion deficit. This is a budget where an opportunity to invest in areas such as education and research and development and to really take a leading role in the new economy has now been lost and has been lost for these whole 12 months.

Finally, I believe this budget is really a nothing budget because this is exactly what it offers the future of Australia. Australia demands and expects more than that. The voters of Australia, whether they be regional or rural Australians or metropolitan Australians like the ones I represent in my constituency, now know where they stand with the government, and they know which promises have never been kept. They do not forget that, and they come repeatedly, both through my office and in written representation I have made on their behalf, to the ministers of the government saying, ‘When are you going to meet your commitments? When are you going to observe some of the election promises that were stated during the last campaign? When are we, as people of Australia, going to get a better lifestyle with more recourse to where we are going to be in the future?’ I really condemn the Howard government for this particular budget. I thought they would have been more generous in spirit, bearing in mind that they and their members of parliament, as you would know, Madam Deputy Speaker, are well aware of what the people are saying out in the electorate at large. I would have
expected in this, the new millennium budget, far more than we have before us today. I repeat: people are not fools. Be they in rural Australia, in regional Australia or in metropolitan Australia, they are saying, ‘Mr Prime Minister, Mr Treasurer and members of government, enough is enough.’

Mr HARDGRAVE (Moreton) (8.20 p.m.)—I rise to speak on the Appropriation Bill (No. 1) 2000-2001. I must say that I count the member for Prospect as one of those great, strong advocates for her side. She is a woman of tremendous experience and was particularly good company on a number of delegations.

Mr Slipper—She should be on the front bench.

Mr HARDGRAVE—She should be on the front bench. I think the parliamentary secretary is quite correct. I think it is very sad, though, that she, like so many others opposite, has been so heavily indoctrinated by living the big lie of the Australian Labor Party over the last few years about taxation reform that even she tonight has made in her contribution a repeat of the same old chestnuts that we have heard time in, time out.

Mr Slipper—It is tired old rhetoric.

Mr HARDGRAVE—It is tired old rhetoric. The parliamentary secretary is quite right. It is very sad too, because I think the people of Australia who live in Labor Party electorates deserve a little bit better than this great negativity that we are hearing and the great down in the mouth, we are all doomed kind of approach that we are hearing from those opposite. It is quite sad to think that, after so many years of wanting a decent taxation system—one that people could grab hold of, readily understand and then very happily comply with—and after so many years of waiting for and wanting that sort of taxation system to come in, we have finally got a government in place delivering on it and those opposite are still running, right to the very death of their dreadful old wholesale sales tax system, with this great line about how fantastic it is compared with what the government has proposed. It is very sad to find the Australian Labor Party wanting to maintain this great ‘opposition for opposition’s sake’ approach right to the death.

Mr Kelvin Thomson—If it is so good, why does the taxpayer—

Mr HARDGRAVE—The shadow minister opposite is asking why it is so good. In debates on this matter time in, time out, my view has been that if it is so bad why didn’t they pass it holus? If it was so bad, why didn’t they pass the proposition this government put forward instead of creating obstruction in the other place which created the necessity to hobble so much of what we promised the people before the last election and what we have mainly delivered upon? If it was so bad, why didn’t they simply pass the government’s legislation holus and then reap the electoral reward they believe will come?

They should have respected the people’s voice, voted through the ballot box—the mandate of the government that was achieved in the majority of electorates. The majority of people in my electorate voted for a system that we are in the main bringing into place and, moreover, that this budget delivers upon. Those opposite still cannot come to grips with the fact that, unlike their 13 years in power, for over four years now a government has been in place in this country that actually says something before an election that it then delivers upon after the election. We say, and we do. I do not know how many times I have made this point so plainly obvious to those opposite and, time and time again, they come in and try and create an urban myth that we are not doing what we said we were going to do.

We continue to trust the people by fully disclosing our intentions and keeping them well informed—as is currently the case through the variety of advertising measures, public service announcements and direct mail contributions that we are going to make—so that every Australian can feel well satisfied that their government have done what we said we were going to do. Is it any wonder there is a deterioration in the faith amongst average Australians in the workings of this place? For 13 years, we had in place a Labor government that told everybody one thing and then did another straight afterwards.
People had no faith in the process of parliament as a result.

Mr Slipper—They lied!

Mr HARDGRAVE—They did lie. It is so sad to think that, for 13 years, they did not trust the people with the truth. Those opposite now cannot come to grips with the fact that this government actually does trust the people and delivers upon what it says. If they do not want the public to be informed about the government’s programs, that is their decision. But if the government of Australia rightfully wants to keep Australians well informed—and also feeling certain, comfortable and relaxed about exactly what their government has done for them—it is only right it makes available that particular information, and the government is doing just that.

It is sad to think those opposite continue to do everything they can to talk it down—to talk our nation down, to talk the economy down and to talk about interest rates rising because of a new tax system. It is a statement of fact that any pressure existing currently as far as interest rates are concerned in this country is a result of external pressures that were always going to be there. It has always been the contention of the government that there would be a one-off effect on inflation from the new taxation system. That is why—and this budget reveals the details of it—people who are reliant upon fixed incomes through pensions and benefits paid by the government can now feel certain that their government will keep their payment ahead of inflation and that it is a guaranteed payment ahead of inflation.

For years, as the CPI rose, inflation rose, and pensioners found themselves unable to keep in full touch with the cost of living. Their pensions always lagged behind the cost of living increases. They can now feel certain that their pensions will always be above the level that is set as a result of 1 July and rechecked every six months—based, as it always has been, on increases in the consumer price index. In other words, they will get the pay rise before the price rise, and those opposite cannot stand to think the government has delivered good social policy—much better than they delivered over their 13 years of shameful administration in this country.

What is before us is the delivery of what the government promised. The appropriation bills give us a good understanding of just what the government intend to do on behalf of the people of Australia in this place over the next 12 months. This budget is the big something. It actually delivers the tax cuts we promised before the 1998 election, unlike the promises of the Labor Party, who promised before 1993 I-a-w law tax cuts, and they were g-o-n-e gone as soon as they won office. To add insult to injury, they secretly snuck up the cost to the average Australian of wholesale sales taxes—not once but twice. So 20 per cent became 22 per cent, and 30 per cent became 32 per cent. Where were their compensation measures in those days? There was absolutely nothing, and that was all occurring at a time of record interest rates and record unemployment.

For those opposite to come in here and decry the efforts of the government, first and foremost, to be honest, secondly, to trust the people of Australia with the information and, thirdly, to deliver upon an intention stated prior to an election is an absolute sham and disgrace. I would have thought that, with just a few weeks to go until the new taxation system starts, they would have run out of puff. But they have to maintain the rage that they themselves have confected. They have to look as though they are very upset and very worried about it. The first thing they will do if they ever manage to sneak back into office is to keep everything we have put together, which is in itself a farce. They are so opposed to the new taxation system that has been unveiled and has been made obvious to the people of Australia through the budget that the first thing they will do is keep the thing in place.

We are going to hear a sad contribution in the course of this long appropriation debate—a traditional debate in this place. I forecast we are going to hear a sad contribution from those opposite. But the good news—and there is just so much of it in this budget—is that there will be so many jobs created as a result of the government’s definite and firm economic management. There
will be 650,000 jobs created in four years. Unemployment is expected to fall to 6.25 per cent by June 2001—and that is quite a contrast with the 11.2 per cent record that the opposition leader, Mr Beazley, had when he was the minister in charge of employment. We have also managed, despite other pressures on our economy, to maintain a budget surplus of $2.8 billion.

Those opposite imagine that, as in the case of the cartoon character Scrooge McDuck, this $2.8 billion is floating around in a room somewhere in this building and people are swimming in it and having a happy time. That $2.8 billion is still repaying Labor’s debt. So, when the member for Prospect comes in and says that this is about taking from tomorrow to pay off yesterday, she is right. There is no doubt in my mind that the people of Australia today, and a little while into tomorrow, are going to keep paying off what Labor left us. The fact that we will have $50 billion of Labor’s $80 billion debt paid back at the end of the next financial year, by June 2001, is a major mark of success for the government.

It is important to know that, if we share in the proceeds of government in this country, we also must share in the debt. Labor left each man, woman and child in this nation a share of that $80 billion debt, and this government through proper management and concern on the real issues will have managed to pay back $50 billion of it by the end of this financial year. At the same time, we have enhanced some of the basic things that should be done and need to be done, some of the things government must do to try to help private citizens and private enterprise. Apprenticeships will be increased as part of a $2 billion program over four years. That is the sort of real issue that a lot of people in my electorate want. Members of the business community have struggled forward to try to maintain new growth in their sector and to bring new people into their industry; they have desperately needed the sort of ready assistance that has come from this government.

The Small Business Enterprise Culture Program means that owner-managers’ skills will be enhanced under a $5.1 million three-year program. As well, businesses will find it easier to deal with government departments as a result of a $6.5 million boost to further develop the business entry point. So businesses will be able to deal with government through tenders and other arrangements far easier than before. On top of that, the real big boost to business has been a fall in the company tax rate to 30 per cent by June 2001 as well as a fall in the capital gains tax to a maximum of 24.25 per cent. They are part of the government’s business tax reforms, which have been promised and delivered upon.

It is important to note that this is not simply a happy day to help small business along, because every time you take some of that financial and government systemic pressure away from business what do you do? You make it easier for businesses to go and to grow, to survive and to thrive. It makes it easier for businesses to hire more Australians; hence the reason we are optimistic enough to suggest—although we are always cautious in our optimism—that there will be an ongoing decrease in the number of unemployed people. It is also important to note that the government’s programs over the last four years have delivered some great gains as far as that is concerned.

Likewise, other sector beneficiaries are education and employment, which are important in my electorate because there are faculties and facilities within my electorate and also because they are a matter of concern to parents and students alike. It is good to know that TAFE and private training providers will receive $3.9 billion over the next four years to provide practical and relevant vocational education and training for young Australians. The highly successful Jobs Pathway Program, JPP, is managed in a number of different ways in my electorate. I was at a function on Friday night at Clairvaux McKillop College at Upper Mount Gravatt where we talked with some of the people administering the Southside Cluster Industry Placement Scheme, SCIPS. That scheme involves small business working with education professionals to help students understand the relevance of what they are learning in the classroom. That is just one program that is
supported, assisted and encouraged by this government. At-risk young people will receive an additional $10.3 million under the Jobs Pathway Program to assist in that practical support, including literacy and numeracy training.

I must pay tribute to Minister David Kemp, who visited my electorate the other week and spoke to a wide cross-section of people who were providers as well as recipients of the sort of work that he is doing at the ministerial level. He explained very clearly why he has focused so heavily on the literacy and numeracy question: it is not because he is incredibly in favour of having tests and assessments but because, as we work on the question of literacy and numeracy and arm more of our young people with the skills they need to work and succeed throughout life, we will slowly but surely unravel those in our society who need additional assistance because of things beyond their control—that is, they may come from a violent household or there may be other reasons why they are not able to fully gain the literacy and numeracy skills that they should. Those sorts of people will be exposed as we slowly but surely peel back the onion to see those who are failing in those areas. The happy news is that this government’s measures over the last couple of years have greatly improved the circumstance of literacy and numeracy so that most students now are achieving the benchmark levels that are being set.

As well, we are looking at building young people’s creative and enterprising skills through the Enterprise Education Program. That is $25 million over the next four years.

Madam Deputy Speaker Gash, I know of your own commitment to the veteran community in your electorate of Gilmore. I try to match the commitment that you have, and I know that the member for Fisher, the Parliamentary Secretary to the Minister for Finance and Administration, who is at the table, has the same commitment. In my electorate of Moreton, there is a very considerable vocal veteran community. They are people who have been prepared to put on a uniform to serve our nation in years past, and they ensured that the values we have as a country were protected at times of war. So I am very pleased to see that our collective efforts on behalf of veterans have achieved some additional results in this budget before us tonight. In particular, the Far East Strategic Reserve veterans have received the long overdue recognition for their service in South-East Asia between 1955 and 1975. That is delivered in this budget.

As well, there is support for Vietnam veterans. The coalition is providing an extra $32.3 million to support veterans and their families in response to the findings of the Vietnam Veterans’ Health Study. I look forward to next year’s budget—and I do not mind nailing my colours to the mast on this one—when this government gives further recognition to those national servicemen who were drafted in 1951 and since, who over a long period of time, from almost 50 years ago, were called up to serve our country.

The coalition government has also ensured that war widows pensions keep up with 25 per cent of male total average weekly earnings, which is something that those opposite never did. The coalition has committed $600 million over four years to the Department of Veterans’ Affairs to purchase hospital care for entitled veterans.

With regard to health matters, while it does not directly benefit people in my electorate, they are very pleased to see the focus being put upon rural health. We in Queensland understand our country cousins and the difficulties they have, and we appreciate this government’s investment in them. Budget measures that help people in my electorate include a new $22 million investment in the future of our children by promoting well-being and preventing and treating illness. This includes $13 million over the next two years to improve the eating habits of children aged zero to 12 years. Let’s face it: in the era of all-too-fast food, it is important that we start to promote healthy eating and wellbeing amongst our young people.

We also are providing support for Australia’s blood bank system with $32.1 million to be spent over the next four years. The important issue of depression—all too topical perhaps in the hearts and minds of many members today—will be tackled over the next five years, with $17.5 million being
spent to establish the National Depression Initiative. I, like too many members in this place, have been touched by friends and family members who have suffered at the hands of depression. It is a silent and hidden killer of too many people in our community. For this government to commit money to those sorts of matters is only right.

But it is the big ticket items which really stand out, I guess, when you are in a debate such as this. There will be record hospital spending in the public sector; over $6 billion this financial year will go to state governments, under the Australian health care agreement which was signed in 1998. On top of this, the budget is promoting access to the best health services for people living in the city as well as, of course, in the bush. So, let anybody opposite suggest health funding has declined and, without a doubt, such suggestion will fall on deaf ears.

What we have here is a government which has looked at the needs and wants, the aspirations, of Australians in various parts of the nation and, in particular, their concerns are being met by this budget. Families in my electorate are concerned about matters to do with their safety. We are seeing in this budget a boost in the fight against local crime through the National Crime Information System, Crimtrac, a boost through the Tough on Drugs strategy and the National Crime Prevention strategy. These are practical measures which will provide support to Neighbourhood Watch right throughout my electorate; there are about 55 Neighbourhood Watches that are maintained by the dedication and concern of local citizens. It is great to see there will be a Canberra based addition to the support mechanisms which they desperately need. One would hope the Queensland government would understand it has still failed to put enough police on the beat on the south side of Brisbane and provide enough impetus and importance to those who are doing community policing at the departmental level; there just is not enough importance being placed on this particular factor. But this fight against crime can be inspired by the proper spending of money here in Canberra.

So I conclude by stating this budget has produced a lot of great good for the people of Australia. I am disappointed to hear those opposite continuing to talk down the efforts of this government in its provision of the practical measures and the long awaited measures which the people of Australia want and expect from their national government.

Mr MARTIN (Cunningham) (8.40 p.m.)—This evening on the appropriation bill debate I would like to make some comments about the budget measures which have been put in place by this government in the area of defence. I have been on record in this place, I have been on record through media releases and I certainly have been on record in speeches that I have given in a number of fora in respect of defence as saying that, if there is one issue which generally enjoys something like 97 or 98 per cent bipartisan support in this parliament it is Australia’s national defence. I have said this because, firstly, I believe it; and, secondly, you do not play politics with national security.

Just before the handing down of this year’s budget, I was full of anticipation and expectation because those people in academia, those defence experts that work within think tanks in Australia, those people who work within the Australian Defence Organisation—indeed, many people within the government and certainly within the opposition—who study issues associated with national security and the Australian Defence Force believed that there would be a substantial increase in this budget for defence initiatives. Sadly, those hopes were dashed. Again, it is not a question of our looking for someone to blame, other than to say it is no good the present minister or the Prime Minister saying that commitments in terms of allocations in the budget for Defence will not be made until such time as the government delivers its white paper on Defence.

I wish in the course of my debate contribution tonight to elaborate on those issues, because I do think that fundamentally there are some very important matters that need to be discussed. But, first, let me go through some of the issues that were covered in both the budget speech and which do appear in the budget papers in respect of Defence. We all
noted in the last 12 months that Australia has—for all the good, strong, right, ethical and moral reasons—participated in the deployment of Australian troops in East Timor. We also know that there was outstanding public support for our troops in East Timor. Certainly I cannot recall a time when the efforts of the military in this country gained the level of support across the entire political spectrum that this particular deployment managed to warrant.

I think what it did also was to elevate defence issues in the public psyche for the first time since Vietnam. I think since Vietnam we have tended to put a lot of those sorts of considerations behind us. Since that time, we have seen the Cold War come to an end. People have started to think, ‘Well, maybe we don’t have to worry so much about issues associated with the defence of Australia. We have to have adequate defence, most certainly; we have to have an adequate budget to meet the concerns of Australia for its defence. But maybe there are not so many other things in our region that we have to worry about.’ Regrettably, that is not case.

I know that, when honourable members turn their attention to what they see on television news programs every night—the present circumstances in Fiji; the powder keg situation that potentially exists within the Solomon Islands; the continuing difficulties in Papua New Guinea; the continuing and worrying developments in parts of Indonesia, with the very real and courageous attempts by the democratically elected Wahid government in terms of trying to maintain the coherence of the nation—we understand in our immediate neighbourhood that there are enormous problems which raise issues for Australia and Australians about defence and, by implication, the defence budget which is necessary to meet some of those complications, some of those developments, some of those security difficulties.

This budget, therefore, in the light of our commitment to East Timor, was disappointing. This budget, in the light of unfolding circumstances in our immediate region, in our neighbourhood, was disappointing. When one also factors in the problems associated with potential conflict situations in different parts of our immediate region, a little further afield than our immediate neighbourhood, of course we also have to raise some questions about the commitment of the government. I say that again, as I indicated earlier, with a degree of disappointment because we have had the Prime Minister say there will be an increase in the budget for Defence, but not just yet. It may be in next year’s budget, but there are no guarantees. We have heard the Minister for Defence say there will be, because there needs to be, an increase in the Defence budget, but not just at the moment. They are going to wait until the white paper comes down.

I know, Madam Deputy Speaker Gash, that you have a particularly strong interest in this not only because you have a very important defence facility within your own constituency but also because of the role that you play within your party’s defence committee. But, in the last three to four months, we have had people no less than the Secretary to the Department of Defence virtually screaming from the rafters about the problems associated with the defence budget of this nation. Dr Allan Hawke has been talking about the parlous state of defence in this nation, and a couple of months ago, after his first 100 days, he gave a very courageous speech, to which I have referred previously in this place, that pointed out the problems. But, most recently, in yet another speech entitled ‘Money matters’ that he gave to the Royal United Services Institute of Victoria for Defence Studies on 27 April, again he highlighted what difficulties were being posed for this government, for this nation, in terms of meeting the commitment for a defence budget as we continue into this new century.

So the short-term bandaid measures that were contained in this budget to relieve the pressure on immediate funding are really selling out what this country needs to embrace at the moment in terms of defence spending. I refer particularly to the selling off of Defence buildings—the Russell Offices, the hydrographic office in my own electorate in Wollongong and office blocks in Sydney and Melbourne. They are short-term bandaid solutions. Assets are being sold and those new buyers will be paid rent by the govern-
ment because, clearly, we are not going to move out of the Russell Offices—after all, it is defence headquarters and there has been a tremendous amount of investment in all sorts of equipment there. But there is no long-term strategy contained in this budget, nor does there seem, in terms of where the government wishes to go, to be a flag where continuing expenditure is going to be needed in the coming several years.

I am particularly concerned, once again, that the issue of block obsolescence has not been identified and given serious consideration by this government. In this budget only three new projects were announced, and they were relatively minor. A whole range of other projects announced previously by this government are actually funded in this budget, so once again it gave the minister an opportunity to put out a number of media releases talking about how in each of the states these projects were receiving new money. It was not new money because the simple fact is that something like $250 million in the capital budget is less than what it was according to the forward estimates last year. So there is no new money at all. In terms of those capital assets and the projects that are needed, as I have said, a number of them have been announced at least once and a couple of them a number of times.

Also, the $20 million initiative in this budget for the reserves is yet to be allocated to a specific program. Much has been made about this government’s commitment to a new policy for the reserves, but we have not seen anything. We have not heard anything about it since at least last year. I remember the minister made a Christmas Eve announcement about a new plan for the Australian reserve forces in this country. Where is it, Minister? If you are out there listening and watching, Minister, where is it? When are we actually going to see it? You have put $20 million in this budget, but what is it for? We have no idea, and I do not think you do either. Yet, in the past, private members’ bills standing in the name of the Leader of the Opposition have been laid on the table in this House to give security to employers and employees so they can take their legitimate and active role in the Australian reserve defence forces, so they can participate in deployments such as East Timor. Yet this government chooses not to pick up those, but it has put $20 million in the budget for some unspecified program. We would like to know what that is all about.

We also know that there are tremendous difficulties in not only retaining people within the Australian Defence Force at the moment but also recruiting. I think there was a press announcement today by Minister Scott, the Minister Assisting the Minister for Defence, to the effect that, once again, a private contracting agency was given the opportunity to try to recruit more men and women into the Australian defence forces in at least three states in Australia because, according to the minister and this government, the defence organisation itself is failing in that respect. But the fact is that you cannot get away from the very real assessment of this budget that has been held constant in real terms—that is, there has been no fundamental increase in the budget. Yet, as I have said, people from as lofty a position as the Secretary to the Department of Defence, Allan Hawke, through to defence experts have been saying that this government is missing, and continues to miss, a golden opportunity to make a commitment to Australia’s future defence.

As I indicated a little earlier, the minister said it will all be revealed next year because a white paper on defence will set the strategic goals and strategic guidelines for what this government intends to do for defence. In turn, that will embrace things like the block obsolescence problem. What are we going to do about the fact that a whole bunch of our equipment is coming to a screaming halt at the same time? When you start to run through the issues with block obsolescence—I have done this before, and I know the minister is particularly aware of each of these—you see that the FA18s and the F111s, our major strike air capacity, are both coming to an end of their economic life pretty soon. Our destroyers are again up for replacement. The patrol boats and a whole range of new equipment that we need, such as the airborne early warning and control system, all need a
commitment. But is there any sign of anything like that in this budget?

Madam Deputy Speaker Gash, you know that the answer to that is no and you know that facilities are being constructed in your own electorate because there is some expectation about improvements that might take place to keep up with the technological changes that are happening around the world when it comes to defence acquisition. And, if Australia is to play a real role as a good neighbour, if we are to keep a genuine concern about defending Australia first but also having an opportunity to be involved in United Nations sanctioned deployments such as to East Timor, we have to have the wherewithal to do it. If we are going to defend Australia against some of the sophisticated levels of weaponry which may or may not be being acquired by a variety of people in our neighbourhood and a bit further afield, we have to start to make those allocations or at least plan for them now, and that simply is not happening.

We see in this budget that something like $1.5 billion will be raised from the sale of Defence assets over the next four years. And do you know how much of that the actual defence department is going to get to keep, according to the budget and budget papers? Of that $1.5 billion that will be raised over four years through the sale of assets, the Department of Defence will get to keep one per cent—one per cent. We need the block obsolescence issue tackled, we need to provide equipment for our working men and women in the Australian Defence Force, and we need to do something about improving our recruitment—yet only one per cent will be retained. Where is the long-term vision for defence? It simply does not exist in the mind of this minister or of this government. If it does, it certainly does not appear here.

I also have to say, Madam Deputy Speaker Gash—and it might be of concern to you because it certainly is to me—that I read something today on the wires that suggested that there is some thought in the government that they may not now release the discussion paper that was to come out as a prelude to the white paper and which was supposed to be released this month. It was supposed to be released in March and then before that it was supposed to have been released last January, and I understand it is now supposed to come out in June. And that came from the Senate estimates committee on defence today. The government are reconsidering whether or not they will actually release a discussion paper ahead of the white paper. Instead they will just bring down the white paper and they are saying that it may not come down until next year. Where does that leave us in trying to work out what we need to do not only for the defence of Australia but also to tackle this ever growing problem about assets that we need to acquire to give us that strategic edge?

Do you think that because of the Asian economic crisis some of our regional neighbours simply said, ‘That is it. We’re not going to bother about re-equipping our defence force now’? They did not. They simply deferred a number of those purchases. And what have they done now? They are back in the game. Not only are they back in the game but they are purchasing the most sophisticated weaponry that one could imagine. And Australia’s strategic edge in this region has always been on the basis that we had better equipment, better skills and better trained men and women in the Australian Defence Force. All of that is at risk because of the short-sighted nature of this government’s approach to defence planning and to the question of the Defence budget itself.

One of the things I thought was interesting was the $128 million allocated in this budget for bringing two Collins class submarines up to operational capability. What about the rest of the fleet? What about the other four? Is there a secret agenda of this government to mothball some of these submarines? That would be one of the greatest follies that this government could ever inflict on the defence of this nation because, putting aside all the media hype about dud subs, the fact of the matter is that the Collins class submarines—and anyone who knows anything about them will tell you this—are going to be an integral part of the defence of this nation. They will be the best conventionally powered submarines of any country in the world, and the capability they possess already and will have when the combat system is improved and remedied will render them second to none.
Why would we want to mothball that? Why would we not want to take the decisions about ensuring that these submarines are brought up to operational capability—all of them, not just two of them? Again, I find that this is part of the short-sighted approach this government takes.

There is no doubt that the big issues that need to be addressed by this government simply are not being addressed by this minister. What we have found through questioning is that he is prepared to spend something like $2,000 on office design sketches because he wanted to have an office at the Russell complex and then decided after spending all the money, ‘No I’m not going to bother to do that. I will just move into a vacant office instead.’ We found that he was quite happy to sign off on $5,000 to celebrate the Prime Minister’s birthday last year at the taxpayers’ expense at Victoria Barracks. He does not mind spending $1.8 million on consultants so that all the spin doctors can come in and say what a great job certain people within the Defence Force are doing. But when it comes to the hard decisions about where we need to see some real increases in money for this defence organisation so that we can be at the leading edge of technology, so that we can be at the forefront of revolutionary military affairs, so that we can be in strategic partnerships with people within our immediate region and, once again, be assured that the defence of our nation is in safe hands, where is any of that vision? It is absolutely lacking. It just simply does not exist.

We all know that our strategic environment can change so quickly. A couple of weekends ago the Minister for Defence said, ‘Well, we couldn’t really envisage what was going to happen in Fiji. We didn’t see it coming.’ With our eyes taken off the game of our immediate neighbourhood, places such as Fiji and the Solomon Islands, what is going on in those other strategically important areas such as Korea—and isn’t it great to see the two Koreas finally agreeing to sit down and talk sensibly in June? What about the Taiwan Strait difficulties? Who is going to come to terms with that and is there an expected role that we might play? And we saw the spectre only last week of a notable academic release a book that talked about the need for Australia to keep up with the United States—our most important ally—in terms of spending on military equipment, hardware and bringing our military up to standard again.

We have lost a perfect opportunity in this budget and, regrettably, it is because the views expressed by people in the ADF—those experts whom I have referred to already—are simply being ignored by this government, and it is a shame that that is the case. What we are seeing from Allan Hawke, CDF and other people is some genuine concern about the future of this organisation under the government. It is an opportunity that was lost. It is an opportunity that needs to be addressed. It is an opportunity that may be addressed with the publication of the white paper, and that white paper should have been published over 18 months ago when we were calling for it. It is an opportunity lost and it must be addressed now. (Time expired)

Mr McARTHUR (Corangamite)  (9.00 p.m.)—I hope that the shadow minister for defence will use his good office and influence to maintain Fort Queenscliff in the heartland of Corangamite and at Queenscliff. The outstanding characteristic of the budget before the parliament is the $2.8 billion surplus. Unlike previous budgets that have been presented to this House, this budget shows a surplus and puts the budget back in the black. It also reduces the overall government debt, which reached a height of $96 billion under the prime ministership of Keating. Australians did not really understand that the Commonwealth government had borrowed $96 billion on their overdraft to run the government.

Treasurer Costello now has this debt down to $50 billion. It is interesting to look at the figures: whereas the debt previously incurred $9 billion worth of interest, it now incurs only $6 billion, so those goods and services run by government can be better organised. Jobs have now been created by the budget and unemployment is down to 6.25 per cent. Because of low inflation, interest rates are down, and changes in industrial relations have increased the confidence of the business community in the Howard government and their economic management. Inflation is pre-
predicted to be at 2.5 per cent in 2001, provided that oil prices do not give too much trouble, having moved from $US10 a barrel earlier in the year to a very high figure of $US29 a barrel. I concede that, with the introduction of the GST, inflation will rise after July. It is estimated in the budget papers to rise to 5.75 per cent. However, that is a factor of the introduction of the GST, and all commentators around the world have allowed for that set of arrangements. The base interest rate, which is very important to small businesses and farmers, is the best it has been since 1960 at between five per cent and seven per cent. For business overdrafts, it is between 10 per cent and 11 per cent. Of course, the concern of the government and the budget papers is what might happen to interest rates in the US, but in the budget surplus allowance has been made for the possibility of interest rates rising here in Australia, and the Treasurer is to be commended. We all recall on this side of the House high interest rates of 23 per cent, and former minister Kerr at the table might even recall those terrible times when farmers and small businesses paid those horrendously high interest rates.

If we look from the budget papers perspective at what is happening around the rest of the world with economic growth, we see that the US has four per cent unemployment and a low inflation scenario, which means that the American economy is the dominant feature of the world economy. Information technology is a great contributor to the improved performance of the US economy. The staggering figure that was given to me as part of a delegation visit to America was that the American economy consumes 23 per cent of the world’s consumption, so it is certainly a very important factor in any economic activity that takes place here in Australia. Japan is now showing some growth from a zero position. It is predicted to be 1.25 per cent per year—an encouraging sign from that important trading nation. The European Union predicts a three per cent growth rate—again an important trading partner of Australia. Those Asian nations that have had a very difficult time over the last three or four years—South Korea, Malaysia, Thailand and other nations—are predicted to show improved growth rates of six per cent in 2001. Whilst over the last three years we have enjoyed four per cent growth rates—which are the key to budgets of any government—it is predicted that our growth rate will slow to 3.75 per cent in the next year, and this is a commendable situation given Australia’s previous growth arrangements.

The current account deficit is a cloud on the horizon, and I am concerned because it is predicted that it will rise to $31 billion. A number of my constituents have raised this with me, asking me what the government are going to do about it. Certainly commodity prices and the Asian crisis have been contributing factors, and it is something that the government need to address and we need to ensure that we run the economy efficiently so that we can reduce the current account deficit.

The key feature of this budget is the tax reform contained in it—reform which the Howard government were courageous enough to undertake, unlike Treasurer Keating who, in 1985, wanted to adopt option C. He campaigned throughout the country with the famous tax cart, saying that he was going to implement it. But of course the government of that day went cold and they did not want to proceed with it because their trade union friends said, ‘No, we won’t have a bar of it.’ Certainly, Treasurer Keating advocated option C as he went up and down the country, but he was not able to introduce it. But this government have had the courage to implement the GST. It might just be worth summarising the position as reported in today’s Sun News Pictorial in Victoria. In an article by Mr Clinton Porteous, GST reporter, the headline reads ‘Same treatment for all: new system creates a level playing field’. How right he is. I think he summarises it very well. He says:

The GST is trying to wipe the tax slate clean and start again.

That is quite right.

Mr Kerr interjecting—

Mr McARTHUR—It continues:

The GST is a flat consumption tax which will hit everyone—even the shadow minister opposite.
Even multimillionaires with foreign tax havens will be forced to pay GST when they buy a pie—or a Mercedes.

How right Mr Porteous is.

This is because the GST is a tax which passes through the entire production chain, making it difficult to escape.

The shadow minister opposite really does not understand this. He supported it on one occasion and now, of course, he is dead against it.

The third key reason for the introduction of the GST is to start taxing the lucrative services sector.

Again, Treasurer Keating understood that in 1985 when he wanted to introduce it.

The current wholesale tax system only hits physical objects, leaving the new-world economy of information technology, hospitality and consultancy untouched.

Broadening the tax base to include services will help raise about $30 billion a year.

This will help pay for the income tax cuts worth $12 billion a year.

... ... ...

Gone will be the crippling taxes on those who do overtime.

I could not have said it better myself. The shadow minister would have to acknowledge the sense in the summary of that position.

In summary, GST will collect about $30 billion. Inflation will rise, as I said, to 5.7 per cent. Personal income tax cuts worth $12 billion will be introduced. The tax-free threshold will be raised from $5,400 to $6,000. Family assistance will be boosted by $2.4 billion, and pensions and allowances raised four per cent. Most goods and services will receive a 10 per cent GST. Basic food will be GST free, as well as some health, education and government services. Most prices are expected to rise less than 10 per cent after the axing of the wholesale sales tax and other savings. The ACCC will be given special powers to police the GST rises. Corporate fines will be up to $10 million or $500,000 for individuals caught profiteering from the new tax. About 2.4 million businesses are expected to receive an Australian Business Number.

That is an interesting summary of this long debate on a major tax reform that has been introduced in this budget by this government.

I would like to turn now to capital gains tax, again an issue—

Mr Kerr—A great Labor initiative.

Mr McARTHUR—As the shadow minister says at the table, it was introduced by the Hawke government in 1985—the most complicated set of legislation this House has ever seen. In the first year, I recall, they were going to raise $25 million. ‘It won’t affect anyone; it’s okay’—and of course over the years it raised a great sum of money as capital assets became available for sale. They did index it, and I concede the point that the Hawke government indexed the capital gains tax. But, of course, under inflationary pressures of nine, 10 and 11 per cent in those years, you needed to have indexation to make it fairly reasonable. So the Howard government has introduced this measure, which will be most helpful to small businesses and farmers and is a major policy change.

The key features of this new capital gains tax are that it will operate from 31 September 1999. Assets held for one year will be taxed at half the difference between the disposal price and the original cost, and there will be no indexation—I make that point. There is of course some argument as to whether indexation should apply. It applies to some capital gains taxes around the world but not on this proposal. It will make it simpler because nominal gains will be taxed. Capital losses will offset gains—again, an important concession by the Howard government.

For small business, the goodwill 50 per cent exemption will apply within the bounds of $5 million assets involved in a small business. The assets have to be active to make sure that these provisions apply, so that in the sale of a small business the goodwill exemption will apply, as will rollover relief and the retirement aspect. The other important aspect that farmers and small business will be very attracted to, once they become familiar with the detail, is the fact that they need to have 15 years of ownership of the active assets and, if they retire at 55, there will be no capital gains tax applying to that particular asset.

The scrip for scrip change, making no capital gains tax available, is very important in the case of takeovers for those many...
shareholders in the Australian community who will now find that, if their company is being taken over, if there is a new enterprise at the smaller business level, then it means there will be no unfair capital gains tax being applied. I would hope, and I put it on the record, that in this complicated legislation there are no unintended consequences. As shadow minister Kerr at the table would recall, there were a lot of unintended consequences in the Hawke capital gains tax legislation.

So we have a position where we have a balance of a low company tax regime—moving from 36c to 34c and down to 30c. We have a low income tax regime where 80 per cent of taxpayers will be paying no more than 30 cents in the dollar. We have a change in the capital gains tax regime which will encourage people to make sensible investments both in their business decisions in the share market and in their small business activities.

And, of course, the GST does not impact on exports. I wish to develop that particular theme. All those important exporters out of Australia will not be paying a GST, so that it makes them more competitive on the world market. We are moving to a globalised situation where Australia, as an exporting nation, will be exporting manufactured products and primary products—be it minerals or farming goods—to a competitively priced, international, globalised marketplace.

We saw in Seattle the World Trade Organisation being challenged. We saw a major riot taking place, and one had the impression that the multinationals were exploiting the poorer countries, and that the consumers and the Greens and the labour movement at Seattle put forward some very gripping scenes on television. The background to that was, of course, that the US textile groups have enjoyed something like 46 protections and are very unhappy with imported textiles. They were very much behind the argument that challenged the WTO at Seattle. However, it is interesting that after Seattle we had the situation in America where President Clinton and the Democrats, with the help of the Republicans, had endorsed a free trade arrangement with China. That is an interesting turnaround, where we have an argument at Seattle and then we have the dramatic turn-around where the Congress and the President have now agreed to allow China to join the WTO. I would like to quote from an interesting article headed ‘Passage gives Clinton a crucial win’, from the Financial Review of 26 May by Joanne Gray in Washington. It is interesting to demonstrate the feeling and the arguments that were taking place. She talks about this whole debate and, referring to China, she says:

They can take advantage of access rules negotiated in November under a US-China trade pact which will cut tariffs, abolish import quotas and open access to China’s banking, telecommunications and pharmaceutical markets.

PNTR status also ends 20 years of annual Congressional scrutiny of China’s human rights record, as it has sought and won, despite heated debates, the same low-tariff access to US markets as other countries.

The vote was one of the most bitterly contested in the Clinton Administration, with unions and human rights groups fighting for support against an array of big corporations eager to get better access to China’s 1.25 billion consumers and low-paid workers.

The article goes on to talk about the vote in the US Congress. It says:

The House Speaker, Republican Congressman Dennis Hastert, said before the vote: “China gets nothing from us they don’t already have, and we get lower tariffs for exports going to China. And who makes these exports? American workers do.” I raise that issue because it demonstrates a change in sentiment: the Americans have been prepared to adopt a freer trade approach to the world’s biggest economy and most populous nation whereas there was a movement to a protectionist sentiment. Here in Australia, as the shadow minister would understand, we have introduced a tax regime which would encourage exporters. However, it is not without some debate. Historically, Japan entered GATT in 1955, and it has been suggested they did not always obey the rules of free trade, either the spirit or the letter of these rules. The Clinton administration and those officials are making sure that China, when they sign the WTO agreement, follow that rules based system of free trade and that there is no discrimination against the USA and China. The Minister for Trade, the Hon. Mark Vaile, today reported to parliament on
the importance to Australia of free trade. Minister Mark Vaile is a strong advocate of free trade and, in his role as the Minister for Trade, reported to this parliament today that this historic agreement between the USA and China will allow greater access for wine. In the case of Australia, the tariff on wine will be reduced from 60 per cent to 40 per cent. The tariff on beef to China will be reduced from 45 per cent to 15 per cent, and the tariff on citrus will be reduced from 40 per cent to 12 per cent.

Mr Kerr interjecting—

Mr McARTHUR—Some of the people in the Congress would agree with the honourable member sitting at the table, the member for Denison, that there are some problems. But on balance they have agreed to a free trade position which will enhance the opportunities for our farmers and our exporters to gain access to this massive market.

We have had, as the member at the table would recall, debates in this House about imports of salmon to Tasmania—he is close to that argument—and imports of chicken. I emphasise the point that they should be based on quarantine science, not on some trade sanctions that might be introduced. Likewise, there were changes to the dairy legislation—initiated, I might say, by sunset clauses introduced by Minister Crean. Now the dairy industry will be on the world market; it will be competing with other countries around the world. To date it has done a very good job. It has exported profitably and that industry has grown because they have been able to export to Asia and compete in the European market.

The situation is that we have a new taxation regime. The introduction of the GST gives Australia a competitive advantage because those exports do not attract GST. That is part of this budget process. Our position is that we are moving slowly and surely towards globalisation of international trade, and America, the engine room of world growth, has agreed to allow China to enter the World Trade Organisation. The member opposite might complain and have some arguments about world trade and some members of those countries might be disadvantaged, but everyone would agree on the benefits of world trade. The standard of living of those poorer countries with lower wages will inevitably, with the introduction of world trade, improve. Inevitably, as we overcome the dogma of protection, of barriers, of so-called human rights, we find that the standard of living gradually improves in those small countries. As we have seen in South-East Asia, as the tariff barriers were reduced, as people exported more, the standard of living increased. I would hope that if ever the member opposite achieves ministerial rank in a new government he changes his views and becomes an advocate of freer trade. If he sticks with the GST he will have a budget that is in surplus and that will enhance Australia’s economy so that we can export competitively around the world.

Mr EDWARDS (Cowan) (9.20 p.m.)—You would have to say that, at best, this is a very ordinary budget put forward by a very ordinary government. I think it has got more camouflage than a troupe of commandos; indeed, it is well summarised by Kim Beazley as being a budget of lost opportunities. This is a budget framed with a massive millstone around the neck of the government, and that millstone is of course the GST.

It is interesting listening to speakers opposite. It seems to me that while they continually look over their shoulders chasing the ghost of Paul Keating they will never be able to properly focus on the future and on the problems that so many people out there in the community are having coming to terms with this GST. It is incredible that this government is spending in excess of $400 million to run a PR campaign trying to sell its GST to the public. The proof that the PR campaign is nothing more and nothing less than an endeavour to sweeten Australia to a very sour tax is found in the fact that so many of our electorate offices are being contacted by people seeking information. They are coming to us because they cannot get that information anywhere else. The small business community is a prime example of that. I have here, as an example, a letter—and I intend to read the letter—from an owner-builder. Only on Friday he came to me and said, ‘Look, this government’s spending a poultice trying to fool us about the GST. But I can’t get simple, basic answers from the government about
how this Gust’s going to impact on me.’ I want to read to the House this letter. It says:

Dear Graham,

I am writing to you, as requested during our short phone call yesterday, putting my particular problem with the GST down in writing. It involves the future sale of my family home, built some 7 years ago, which is classed as a new residence for GST purposes after 1 July 2000. (Section 40-65, Sub-section 2)

I have actually looked it up. The letter continues:

The definition of “New” residential premises, from the Australian Master GST Guide—is—

... residential premises that have not previously been sold as residential premises, or have not been subject to a long-term lease”. A long term lease is defined—in that document—as “a lease for at least 50 yrs”.

I like many others, have owner built my own home and as such the property has never been sold as a residential premises and is not subject to a long term lease. Builders, who have previously built their own home, fall into the same category. When these properties are sold for the first time as residential premises, at some time in the future, the vendor will be required to pass 10% GST on the sale of their home to the ATO. This rule apparently applies regardless of when the home was built and reaches back 20 or 30 years and more. I am informed this 10% GST is on the total sale price of the home, unless the owner enters into the Margin Scheme...

And that means:

... by having their home valued at the 30th June 2000. GST will then be payable on the difference between the future sale price and the valuation that the owner received pre-GST.

My constituent goes on to say:

My accountant, who is a member of a large, well respected group of chartered accountants, assures me that this is the case for my home.

Most people had a builder build their home and then bought the finished product from the builder, thus creating the first sale. According to the Master GST Guide ... the sale of pre-existing residential premises is input taxed and these properties are NOT subject to GST.

Why should an existing “owner built” family home be treated differently?

Or, for that matter why should a future owner built family home be different?

I understand the Federal Treasurer has said publicly that there will be no GST on the sale of the family home. Either the authors of the GST Act are deaf or they got the meaning of these relevant clauses wrong. There appears to be a lot of accountants out there telling people in my situation to have their home valued.

In addition, I also grappled with the question of a residential premises brought as an investment property and rented out prior to GST. If this residential property is sold after the GST commences, then it is a sale of pre-existing residential premises ... and therefore in general is input taxed, if the premises are used predominantly for residential purposes ... which it is. This means that no GST is payable and input tax credits are not available.

However, my accountant is also telling me that I must have mine valued and enter the Margin Scheme, to reduce my GST exposure, as GST will be payable at sale, along with any capital gains tax. I thought we were supposed to be getting a tax cut.

For a tax that was to improve and simplify the Australian Taxation System, it’s pretty poor when chartered accountants are having trouble coming to grips with it.

I hope you can help clarify the issues I’ve outlined above.

I wonder how many owner builders out there in Australia have picked up from this massive advertising campaign, which supposedly passes on information to average Australians, that they should go out and have their home valued. I know that most people who are having a house built for them know that they have to go out and take that step? This $400 million-odd information campaign has not told them that.

If there was a proper intent of the government to pass on information about this new tax, they would have looked at all of these issues, they would have looked at what really needed to be told to the Australian people, and they would have devised an information campaign which would have sought, I am sure, to pass that information on. But they are not interested in supplying this sort of information to the general Australian public. What
they are interested in is running a $400 million plus taxpayer funded campaign, which ought to be coming out of the pockets of the Liberal Party, not the pockets of Australian taxpayers.

I am going to have to put forward as much information as I can in my electorate in an endeavour to let owner builders know that they need to go out and get their houses valued. Because if they do not take that step and get the houses valued as at 30 June, at some stage in the future when they go to sell the house they will have the Australian Taxation Office come in, make a guesstimation of what the house was valued at as at 30 June and then apply their own tax assessment, and we all know how fair the Australian tax office is when it comes to them applying their assessment in this way.

The other matter that I want to draw to the House’s attention is, once again, a small business person just battling along, trying to make a quid, trying to keep their business and their family’s head above water. They have been desperately trying to get some information out of the ACCC as to a number of points that they want clarified. In the end, in frustration Dale Wilson—who is the owner of a small business, Tech City Electronics—was forced to write to the paper to try to get some profile for these issues. I will quickly quote this letter which he wrote to the paper in WA:

My wife and I operate a small electrical repair business in the Western suburbs. We operate from commercial premises and are required to register for and collect GST. We have grave concerns over the introduction of the GST with its inherent administrative and compliance costs. However, the greatest concern we have is the non requirement of businesses that turn over of less than $50,000 pa to collect the GST.

There are many ‘home based’ businesses that fall into this category.

I have become aware that quite a few people in my field of work (mainly the ‘backyarders’) are planning to advertise GST FREE REPAIRS after the tax is introduced.

This is a very unfair commercial advantage, as I am forced to collect (add tax) to jobs I do and also carry out the administrative work to comply with the law.

The $50,000 (declared) turnover barrier will probably not present much of a problem to these people either, as many of these businesses work on a cash only basis. Their income could quite conceivably be ‘engineered’ not to exceed this limit.

I am sure this problem will be faced by many other small business operators as well—a few examples, car repairers, hairdressers, painters and decorators, caterers, home handymen and various building trades just to name a few.

The Government and the A.T.O. must address this problem and make ALL BUSINESSES equal in their GST treatment. If not, I, like many other small scale/family businesses, face a very uncertain future and may soon become an under 50K business, due to my inability to compete on this very uneven playing field.

Mr Wilson has sent a list of questions—12 questions, in fact—on more than one occasion to the ACCC, simply trying to get some answers so he can fully understand and appreciate what his responsibilities are so that he can comply with the law and do the right thing by his business and by his customers.

Since he has been emailing these questions off, what he has received on four different occasions is an acknowledgment of his questions. He has not received any answers. We are just around the corner from this GST being implemented. This small business person is like so many others in my electorate of Cowan. These small business people do not have the information that they deserve and they do not have the understanding that they deserve. What have they got instead? They have got a $400 million-plus propaganda campaign being waged by this government which totally ignores the needs of people who are trying to do the right thing, trying to come to terms with this new tax, and completely ignores the responsibilities these people in small business have to themselves, to their businesses and to their customers.

This propaganda campaign is an absolute disgrace, and I do not think that for one moment the government will fool the people of Australia as they set about trying to woo them over to this tax, which they themselves are trying to distance themselves from. You may have noticed, Madam Deputy Speaker Crosio, that these ads do not once mention the GST. Just as their campaign at the last
election shied away from the GST, so too do these ads. There are many needs in my electorate and there are many needs in the community—many needs that could be well met by some of this $400 million which is being splurged by this government.

The other issue I want to raise is the impact that the GST is going to have on one particular group of people in the northern suburbs, in this particular situation a group of aged veteran pensioners. Two such people have been awaiting the availability of units in the veterans’ estate in the northern suburbs of Perth. The base price of these units has been $120,000. However, the post 1 July price—post GST—will be between $138,000 and $141,000. These people have been waiting for these units to come onto the market. They figured that the cost would be about $120,000, but one has gone up to $138,000 and the other to $141,000. These are big increases. Not all of those increases are due directly to the GST. These price increases include water corporation charges of $2,800, civil infrastructure charges of $1,800, building cost increases of $3,900 and MATV and emergency call systems charges of $1,300. That adds up to $9,800. I must say that the first two charges that I read will also carry the impact of the GST. Deducting those costs, it is apparent that the GST is going to cause an increase in the cost of these units of between $9,000 and $11,000.

The particular association which is building these units has, as I understand it, tried to absorb much of the price rises, but they point out that previously they were able to keep prices down because they were wholesale sales tax exempt. Of course, rental accommodation is not GST exempt and they cannot pass any savings on. In addition to the GST impact on the cost of building these units is the cost of furnishings. Curtains, floor coverings, et cetera will add an even greater cost to these units. The reality facing this veteran and his wife is that their dream of moving into these units is now not able to be financially realised. They will as compensation receive a four per cent increase in their pension and they may qualify under the savings bonus scheme, but that will be more than absorbed in the day-to-day living costs that they will have to meet.

In the face of their predicament, they are being bombarded by these propaganda ads with the song, *Unchain my heart*. A government that had a heart would not impose such a tax on its seniors or its veterans. If it did have a heart or if it cared one iota for those disadvantaged by the impost of this new tax system, it would at least offer a fair and realistic compensation scheme—not the sham that this government is offering to those who have given the most for this nation. This government has no heart; this Treasurer and this Prime Minister have no heart. No TV campaign is ever going to change that.

In the couple of minutes remaining, I want to quickly refer to a trip that I made this Anzac Day to Vietnam. I had the opportunity to go with a couple of my former mates from the 7th Battalion, Royal Australian Regiment, the famous ‘pig battalion,’ to Long Tan to celebrate Anzac Day. We thought it was an important time to go because the Vietnamese authorities were themselves celebrating the 25th anniversary of their victory, and we thought it was important that this year in particular we should go back and pay our respects to those Australians and New Zealanders who lost their lives in that conflict. We had a very moving service at Long Tan, and it was tremendous to see so many Australians take the opportunity to go there. I want to thank Lisa Filipetto, the Australian Consul-General in Ho Chi Minh City—Saigon—for her help in organising this trip and also Peter Nicholson, who is the Red Cross operative in the southern part of Vietnam, for the tremendous work that he has done over the years going down and looking after that patch of ground which is Long Tan. I also wanted to say that I had the opportunity to visit the Australian Vietnam Veterans Reconstruction Group orphanage, a new orphanage that they have built at Ba Ria. Paul Murphy and his committee there have done a tremendous job, and the Australian veterans and those businesspeople and various aid people who have contributed money have helped to build an orphanage where many Vietnamese kids can come in and have a lot of security and love and hopefully benefit from the
foundation that these Australians have put into that orphanage. I want to commend those people for their work.

Mr BILLSON (Dunkley) (9.40 p.m.)—It is an honour to be standing here today discussing the latest Howard-Costello budget for building the terrific country that we have. I listened with interest to the member for Cowan’s remarks. He has not been here very long, and I can understand how he might not be aware of the terrible slug the former Labor government imposed on all Australians by increasing wholesale sales taxes across the board, excises, and you never heard them talk about compensation. This idea of compensation for tax change is a new idea that had never crossed the Labor Party’s mind until the coalition government recognised that some economic and policy changes in this country do have impacts on people. That is why complementary measures have been put in place. You will have seen at the weekend that, despite all efforts to the contrary, no evidence has been put forward to show that any household type in the country will be worse off. It is now an argument about those who will be better off compared to someone else who will be better off but maybe to a different degree. It is an entirely new concept to the Labor Party, and I am glad that the member for Cowan is being introduced to the idea. His colleagues previously speaking in this place have no idea about the ideas he was talking about in terms of compensation for policy change.

But we are here to talk about the budget, Appropriation Bill (No. 1) 2000-2001, and it is a positive time to be talking about these things. We have got the continuing investment-friendly and opportunity creating environment that makes this a great place to be, a great place to invest and a terrific place to bring up a family. Continuing strong economic growth of 3¾ per cent is forecast for the coming year and continuing reduction in unemployment to around 6¾ per cent is forecast by June 2001—the lowest in a decade. What is really good about these changes is that you can see that people who have been out of the work force for a long time, those more difficult to place in work, are finding employment. Long-term unemployment rates are coming down; the difficult situation for young people getting a foothold in the economy is also improving under this government. Those are encouraging signs.

Underlying inflation is forecast to remain low. All of these things combine to produce a positive outlook for all Australians—one that all sections of our community can look forward to with optimism. It is underwritten by sound fiscal management—not good luck, not a hope and not the fictitious numbers that the Labor Party put in its budget—and forward-looking policy. This budget was produced under the Charter of Budget Honesty. Those opposite want to muck around with the numbers here and there. I can understand that temptation. They did that for 13 years to this country, misleading ordinary Australians about the state of the Federal government’s finances. They could not do that now with the Charter of Budget Honesty; it is another idea that those opposite had not formerly been apprised of. Our budget, underwritten by sound fiscal policy, sees an underlying cash surplus of $2.8 billion forecast for the coming year—the fourth cash surplus in a row—and a continuation of the debt retirement program of $50 million dollars. I note the member for Denison has gone a little quiet now. In the last five years under Labor, when he was minister, $80 billion was put on the nation’s bank card. It was government by bank card. We had a time when there was growth in the economy and increasing government revenues, but Labor still could not manage to handle its affairs. It is little wonder people know that, when there is money around, you cannot trust the Labor Party. So $50 billion of that $80 billion debt that Labor racked up in the last five years has been paid off by the coalition, and that is good news for all Australians.

You hear this penny-wise, pound-foolishness of the Labor Party picking out this little number in the budget, that little number. They are asking what could be done with the resources that are rightly being put into the public education and information program about tax reform. Do you ever hear them talk, though, about what could have been done with all those resources they wasted over the years and all of the money
that goes into servicing that $80 billion worth of debt that the Labor Party clocked up on the federal government’s Visa card in its last five years? You do not hear anything about that. They want to talk about opportunities that have been missed due to this advertising campaign. Tenfold of those missed opportunities have been due to interest and debt repayment alone from what Labor did to the economy of this country and to the debt that the Commonwealth government has. We are paying that off so that, in future, when people’s tax dollars are received by the Commonwealth government they are put into essential works and services that people can benefit from and not into paying off the debt that the Labor Party racked up with desperate programs to stay in office.

That is the situation: debt retirement and the introduction of an essential, fairer and more robust reformed tax system. I have not met anybody who stands up and says, ‘Let’s keep the one we’ve got.’ Not even the member for Denison advocates that. He picks little ideas out—and I can understand why he focuses on little ideas—and tries to run with those. But have you seen anybody standing up saying that the current tax system, which thankfully comes to an end on 30 June, is the right tax system for the future of this country? Nobody says that. Nobody is out there advocating the ‘leave it as it is’ position that some of the members in the Labor Party seem to be advocating. We are getting a new, fairer, essential, robust tax system for the future supported by the largest tax cuts in our history and a discontinuance of the Timor tax.

Some of the strategic issues this budget deals with, though, go to our assistance to East Timor. The $945 million will finance our continuing presence in East Timor as that fledgling country finds its feet and hopefully sets itself up for a positive, self-sustaining future, which is something my community is keen to see established in East Timor. There are funds there for civilian police deployment in East Timor. There is also $150 million in foreign aid for East Timor. That is an enormous investment by this country in giving that part of our neighbourhood the best possible chance it can have for a good future. There is also $100 million there to support high priority defence areas and $128 million for combat enhancement and improved capability of two of the Collins class submarines.

I am hopeful that, when the defence white paper is finalised by the government, when it sets Australia’s longer term strategic and defence settings, there will be a signal in there that Australia will commit to the joint strike fighter project as a pathway for replacing our 21 F111 C and G strike aircraft and the 71 F18 tactical fighters. The point was made earlier by one of the members opposite that they cannot keep flying forever. This is a very impressive collaborative project being driven largely by the Americans and the British which tries to balance affordability with mission combat capability. That has to be a good thing. If we just went down the F22 line to replace our jet fighters, I think they would have a sticker price of over $US80 million for one aircraft. Under this model, the joint strike fighter is coming in at around $20 million to $25 million per aircraft. I was very fortunate to be briefed on it by the Pentagon. I think it is an excellent way for our country to travel so that we have combat capability and systems interoperability with our major allies, and I am hopeful of seeing something about that in the defence white paper.

Families and the local community will benefit from the $240 million Stronger Families and Communities Strategy that has been announced in the budget. The stronger families fund will be established to encourage communities to develop new and better ways of strengthening families, with an emphasis on early childhood and parenting. That is important. As a parent of two young children, I know that parents are often bombarded by stories about what the best thing you can do as a parent is. I know that the work that will be done by the federal government will provide all parents with some guidance on how they can best develop their children and give them the best possible opportunities to fulfil their potential. I talked about this with the Seaford North Primary School when Dr Kemp and I visited there on Friday. We talked about how essential parent involvement is in the raising of children, par-
ticularly in developing their capabilities. I am hopeful that this project will take a particular focus on that so that not only the parents themselves but the extended family—the grandparents, the cousins, the aunts and those who have a love for and a stake in our young people—can use the time they spend with them in an enjoyable way in a family sense. I am hopeful that this focus will also mean that, where they have to make some choices about taking the children to the park, about a birthday gift or about something like that, there is support and advice available about how best to contribute to the development of their children. In addition, there is an early intervention, parenting and family relationship support program and also the greater flexibility and choice in child care initiative, both announced in the budget, which go to strengthening our families and our community.

In the Dunkley electorate, we have a number of excellent service providers which are very well placed to share in some of that funding. We are keen to work hard to attract some of it. I am pleased that the programs are taking on a more organic flavour than many other Commonwealth government programs. The local communities will be actively involved in developing initiatives that are right for their community rather than having some model imposed from Canberra that suggests that every community needs the same types of support services. That is a courageous policy shift and it is notoriously difficult for the people administering it in our government departments, but I think it is a welcome shift away from the approach where you decree what is good for the community. I am also hopeful that the $37 million set aside for developing community leaders and involving young people in cadetships and in community organisations will bring some benefits to the Dunkley community. There are opportunities there for the development of skills and the potential of community leaders, both those who work outside industry and government structures and those who are very active in volunteer organisations now. If we can activate the goodwill, the positivity and the creativity of the Dunkley community, I think it has all of the ingredients to be the choice place to live in our country. It is a magnificent coastal environment, it is not too far from most services and it has opportunities laid on.

I would like to take a moment to point to some of the work that the Geelong area is doing. Geelong is on the other side of Port Phillip Bay, but it is important to our community because it is a benchmark. You could almost say that we are competitors in terms of attracting families to our area, attracting investment and doing things to promote the appeal of our communities. I think the revitalisation of the Geelong area began under the commissioners before the return of elected representatives to the local council. The Geelong community are using ideas like Smart Move, a campaign which has proven to be quite successful in raising local awareness about issues, even changing Geelong’s self-image and building pride and confidence in the city. That was something that the Geelong community needed to do, and they have backed it up with a number of housing campaigns to attract more people to live in Geelong, with promoting purchasing and buying locally campaigns and attracting new business, trade and investment.

I will not go through all the things the Geelong community is doing but simply signal that I think Geelong has stolen a march on Frankston. In my view, Frankston as a regional centre has many more positive things going for it than the Geelong area. But I am biased: that is where I grew up, and I love the place. The thing that differentiates our community from Geelong is the leadership role the council has taken to recognise that it needs to put its best foot forward and to share the attractions, the appeal and the benefit of the community so that more people want to be a part of it. Right now, we need to do that in our city of Frankston. It is a wonderful community. It is like a country town, but it is on the edge of the outer metropolitan area. It is almost like a family—family members tend to focus on negative points or may be a little too frank with each other at times and not really celebrate the positive things that they have. That is a little bit like what happens in our community, and it can damage the confidence, the enthusiasm and the
preparedness for people to get in, stand up and speak out for their own community.

Ever since I was elected to represent this area, I have been actively putting forward the positive elements of our community and encouraging people to get involved. The Geelong community has stolen a march on us, though. As a community, we need to join together to remind not only the broader Melbourne and Victorian community but also the national and international community what our community has to offer. We need to look at our role as a future regional centre—the range of affordable housing that is available and the educational infrastructure. It is all there. Sometimes I think there are so many positive things about it our community falls over its own opportunities. I am hopeful that, in the next year or two, we can focus on putting our best foot forward. If we do not speak up for it, if we do not stand up for our community and if we do not promote the positive benefits of our region, no-one else will. It is a task that rests with all of us, and I am hopeful we can activate that confidence and get more aggressive in putting forward what our community has to offer.

An example of how that can work and how that is supported by this budget in the mental health and depression initiatives that are funded in it is that we have got together a community forum. There is quite a concern in sections of our community that we need to promote emotional resilience among people and show that there are pathways other than suicide. We have had a number of incidents in our community that have attracted the attention of the media, and we are fairly well placed in terms of the services that are available. But so many people do not know where they are or how to access them. We can do some work to share that information with the broader community and to have a bit of a look at whether we need to pursue expanded services, whether we integrate the different agencies well and whether we put enough emphasis on prevention.

We have all sorts of excellent work going on at a time when people have already caused themselves harm. We can do things, though, before we get to that point by supporting the services that are there and providing a bit of a users guide on how to access them and how they interact—some information to households even about observing certain types of behaviour and what positive and constructive things people can do when they see their loved ones going through a depressive stage. There are also some challenges about getting to the male section of our community and emphasising the role of the general practitioner as a case manager and a referral point for people that have a dark cloud over their life and that are wondering how best to move forward. So that is a local initiative that is coming up on 15 June that I have put together, and I encourage everybody who can make a contribution to attend.

Another area I would like to briefly talk about is the worrying trend of a gross simplification about the city doing it well and the bush doing it tough. The amazing thing I observe is that many people in my community think you have not even talked about them yet, because they are neither. They are an outer metropolitan community, an hour from the CBD of Melbourne, with many of the issues about isolation and access to services that may be more readily associated with rural communities. My efforts will continue to focus on reminding people that all communities are different. There are some regional communities with many positive elements that deserve to be recognised and celebrated. There are some areas where there are difficulties that the communities are working with the government to address. The worst thing we can do, though, is comfort ourselves that we need not consider what is going on in the communities with the bland analysis that the bush is burning and the city is doing fine. That misrepresents the true conditions in so many communities throughout Australia.

In the budget, there are some very worthwhile initiatives for regional and rural health, but even in the area I represent and in the Mornington Peninsula access to appropriate health services is a difficult task. Some people would say, ‘Oh, that’s the city.’ I am told we have shortages of general practitioners which, at times, make it difficult to get access to services. I am told that, particularly in the southern areas of the Mornington Peninsula, a sense of isolation contributes to poor health.
for many people. I am hopeful that, as a result of the analysis that has been done by the committee that examined the future needs of MRI technology, the Blanford committee—and its report acknowledges the need for additional equipment of that kind—our community’s needs can be recognised.

The Frankston hospital has an MRI unit that is available for in-house patients. It should be available for all patients—people within the hospital and also the regular citizen. I am hopeful that, of the additional MRI units that have been foreshadowed by the Blanford committee in its report, recognition is given to the enormous population catchment that the regional centre that I represent services. If you need to get access to an MRI unit and you are down in the south-east of Melbourne, in the Mornington Peninsula and even heading out towards West Gippsland, you have a unit at Moorabbin and one at Box Hill. Those two units would be servicing maybe 1½ million people. We are in desperate need of an additional unit, and I am hopeful that we can get the support to have the one at the Frankston hospital that already exists made available and made eligible for Medicare benefits.

I would like to talk about the budget’s implications for infrastructure. You have heard it talked about at great length by those opposite. Interestingly, they did not do a whole lot about it themselves. Down our way, the Scoresby transport corridor is a key infrastructure requirement that I will continue to advocate for. When the Bracks government were elected, one of the first things they did was announce that they were not interested in the Scoresby transport corridor. That was a crushing blow to the community I represent. That transport link is essential for matching up people’s residential choices with employment opportunities, for trade purposes and for economic activities more generally. In recent days, I understand in what might be a surprise not only to me but also to many of his colleagues that the state Labor Minister for Transport, Mr Batchelor, said that the state will pay half towards the freeway. I welcome that news and hope we see that happen one day soon. (Time expired)
It was a budget of missed opportunity. It was a budget that said to the community, ‘Look, we’ve reduced expenditure in all the key areas and our surplus was made off your misery. But if you’re on a middle income with a family, if you’re a student or unemployed or a pensioner, then tough.’ I might remind members of this House that most of the people who live in my electorate of Swan fall into these categories. It is obvious that, for the vast majority living in Swan, the policies embraced by the Prime Minister and his Treasurer have been an unmitigated disaster. I am sure that I speak for them when I say of the budget: what good did it do us? I think the Leader of the Opposition put it pointedly when he said:

Those people who have asked me these questions over the last 12 months would have found no answers on Tuesday night from this budget.

Indeed, all that Australian families would have found in this budget would be higher taxes, higher prices and more pressure on interest rates. Even more importantly, they would have seen this budget for what it is: a budget of lost opportunities, lost opportunities as the government squanders its bottom line, gleaned from cutting sound programs in education, health and regional services. But to spend on what? Nothing but the GST. For all the big talk in the budget about doing the hard yards and all the talk about historic reforms and strong prospects, it is all invested in just one thing: the GST.

At the core of this budget after nine successive years of growth we find nothing to comfort Australians, to reassure them that the government believes in a future for this country. After the billions of dollars in cuts made to government services in its first term, this government has been forced beyond all the limits of prudence in a growth economy to spend all the proceeds and then some. Perhaps most disturbingly, many commentators have even criticised the most noted element of the budget—its so-called surplus. Writing in the *Australian Financial Review* the day after the budget, Professor Quiggin noted:

The budget papers contain estimates showing that the Commonwealth Government had a negative net worth of $80 billion … but will have a marginally positive net worth by 2001-02. This feat is to be achieved by greatly reducing net debt while leaving the book value of the Government’s assets almost unchanged. Since its operating surplus is virtually zero, the massive improvement in net worth appears miraculous.

Unfortunately, the estimates are not worth the paper they are printed on. Most of the reduction in public debt under this Government has been achieved by selling off or running down assets.

As Professor Quiggin indicated:

… the Government does not appear to believe that a Charter of Budget Honesty requires an accurate valuation of assets.

Secondly, even the respected Chris Richardson from Access Economics had the following to report:

The turnaround between the two years (of $6.3 billion) understates the additional cost to Government coffers of 2000-01 policy moves, as good growth and the usual bracket creep have left the Tax Office with revenue coming out its ears.

If that is the case, what about a social dividend? Ask any Australian today what the government’s main spending priority should be and the majority of people instantly say ‘health’, a point noted in every social survey undertaken by both academic sources and the print media. Under this government, Australia’s health and aged care systems have disintegrated to an alarming degree. The public hospital system, which was once world class, has now reached an appalling state, and the government regards it with what can only be described as a lack of interest. The government continues to do nothing about the impact of its health care ‘initiatives’ upon low income families. These people simply cannot afford private health cover and must rely on the public hospital system to provide their health care. Under this government, the public system has become synonymous with overcrowding, delays, ever longer waiting lists and in some areas poor quality treatment.

An independent review prepared before this budget states that an extra $620 million must be put into the health system over the next four years just to maintain the present level of services. There remains no sign of such spending being undertaken. One can only surmise that the government is content
The government seems to have plenty of money available to subsidise the private health insurance system. Last year’s budget provided $1.7 billion towards the 30 per cent rebate scheme. When that failed to work, the government then embarked upon the Lifetime Health Cover scheme. But we should never forget that this $1.7 billion came directly from money removed from the public hospital system.

Another odious aspect of the budget is the further butchering of the Pharmaceutical Benefits Scheme. As I have mentioned, my electorate contains a large number of pensioners who are dependent upon their medication in order to treat whatever condition they may have. By restricting the Pharmaceutical Benefits Scheme further this year, the government has made life even tougher for these people who obviously cannot supplement their income in any way. Indeed, their only consolation is the so-called ‘generous’ four per cent increase in pensions to compensate for the GST—a four per cent increase in pensions!

Many Australians have been shocked in recent years by the deterioration in standards in the area of aged care. Surely an important priority in any community is a high quality of care available to the elderly who reside in nursing homes. I welcome the aged care measures in the budget such as the $11.5 million increase in additional funding for the Aged Care Standards Agency. But such measures are clearly too little, too late. The government’s tinkering at the edges cannot disguise the genuine problems within the deregulated nursing home system.

Let’s move on to science and research and development. One of this country’s most important policy areas is that of science and technology. In the knowledge economy, a high priority must be afforded to encouraging investment in research and development; such a commitment is totally non-existent in this budget. The decline in R&D investment under the present government is nothing short of disastrous. In 1995-96 Australian business invested $4,343 million in developing innovation and technology. In 1998-99 the total is expected to be $3,650 million—a drop of approximately 14 per cent. If Australia is ever to move forward into the 21st century as a globally competitive knowledge economy, action must be taken now to stop this decline. Once again, the government comes up short.

The Labor Party believes that Australian universities have the potential to be world leaders in research and innovation. A dynamic investment in education is imperative, if this country wants to move forward and embrace the opportunities of the 21st century. We want Australia to become the knowledge nation. Unfortunately, it is unclear precisely what the government wants, other than less education spending. Such is the pathetic nature of the government’s commitment to a strong education system in Australia that the new funding measures announced in this budget amount to the paltry sum of 86c per capita over the next four years. This is simply a criminal neglect of education and it underlines just how much the government cares about the opportunities afforded by the knowledge economy. This sad state of affairs must be remedied quickly, otherwise Australia will fall even further behind to a position from where we might never recover.

I now move on to small business. Aside from all the other victims of the GST, there is one group within our community who will be
decimated by the new tax system—small businesses. The government drones on saying, ‘This new system is simpler for business.’ Is that so? It is a fantasy to think that the GST will somehow advantage small business. Under the old tax system, there were 70,000 collection points for the wholesale sales tax; after 1 July, that will explode to over two million collection points. Does the government believe that the small business people in this country will fall to their knees in gratitude when they have to stay up all night fulfilling the reporting requirements? Any argument that the GST is simple to operate is a total fallacy. If the extra paperwork is not enough, the GST is actually far more complex than the government would have us think. There are GST-free items, input taxed items, five per cent on caravan parks, 10 per cent GST items. There are excises on alcohol, petrol and tobacco. There is the luxury car surcharge, the farrago of food, as well as concessions for high rollers in casinos. So much for simplicity!

The government has seriously underestimated the demands of its tax laws upon business in this country. The most obvious example is the Australian Business Number program. With one month to go until the start of the GST, there are still around two million entities yet to register with the ATO. To add to the confusion, everyone from charities to part-time artists have to register as well. All the indications are that Australian business is heading for total chaos after 1 July. Even when small business people attempt to get clarification of the tax system so that they can sort out the mess, they cannot seem to get a constructive response. Even the Australian Tax Office cannot help, because they are still sorting out the details of the system after the deluge of amendments forced through the parliament muddled the waters around the ‘simple’ tax system.

It would not be too much of a distortion to suggest that small business in Australia is contemplating a crisis. The massive impact of compliance costs, the crushing burden of extra paperwork and reporting commitments and the bewildering complexity of the system will ensure that the GST remains a mystery to many business people in this country, and it will no doubt remain so for a considerable period of time.

Recently, my office circulated 7,000 small business surveys with the purpose of trying to assist business in the electorate. To this end, I have been personally distributing information kits to business in the area with the aim of supporting these enterprises. The one consistency in all these businesses is the degree of anger and confusion out there in the electorate. In one instance, a local small business operator has reported to me that, by the time he adds the extra input costs and the time necessary to comply with the legislation, it is hardly worth the effort. He will be selling his stock and simply walking away from his business.

Not only will it be small business that will feel the enormous impact of the GST but Australian families will be hit hard, and this budget does little in the area of family policy to give them much cause for optimism. Much as the government likes to boast about its so-called affinity with families, the true figures tell quite a different story. Not only is it the wasteful GST campaign that demonstrates the government’s deliberate attempt to put propaganda before policy with a campaign Goebbels would be proud of; the budget reveals that next financial year $3.5 million will be spent on expensive advertising for the government’s family strategy, as opposed to just $2.6 million on actual policy initiatives such as early intervention and relationship support services.

It is absolutely typical of this government that more money is being spent producing advertisements than actually helping families where it really matters. It seems that the government has no intention of helping most families. In fact, that first-year funding of $2.6 million for early intervention and relationship services amounts to an average of just 20c worth of services per week for each child born over the coming year—a huge commitment! As a contrast, over the next four years the New South Wales Labor government alone will spend $54.2 million on its own early assistance services, while this government has promised to spend just $47.3 million in total for services for the entire nation over the same period.
The main objective of family policy should be to give practical assistance to families under pressure and in need of help. Unfortunately, such aims appear to have been bypassed by the government with the much vaunted family and community strategy, consisting of a handful of glossy fact sheets. No doubt families in need will be struck by the quality of the paper because there is precious little actual assistance provided. As with many things, the government’s policy is high on expense and short on detail. In stark contrast to this, Labor released the ‘New directions for family support’ statement over a year ago, and one of the points called for a national early assistance program. It is gratifying to see the government listening for once, but even in this area the government is attempting to manage the public relations rather than address the real policy needs of Australian families.

In closing, I understand that in Senate estimates today Senator Faulkner extracted out of the Commissioner of Taxation, Mr Carmody, the fact that the GST propaganda campaign had reached $410 million. Once again, the government has come up short, but can we really expect anything else from a government that is out of touch with the day-to-day pressures faced by most families? I doubt it, otherwise it could have afforded the 1,200 extra hospital beds for families. It could have afforded 2,600 extra nursing home beds and an extra 16,000 child-care places. This government does not care unless you are fortunate enough to be born into money. They are the born to rule mob. They are, indeed, Tories.

As a measure of the government’s success, or the lack thereof, in family policy, they have presided over a 100,000 increase in the number of children growing up in jobless families. If the incredible amount of money being spent on shallow advertising campaigns is anything to go by, Australians may as well vote for an advertising agency as vote for the government. If there is one thing that emerges time and again from this year’s budget, it is that Australians do not appreciate being taken for a ride at their own expense. Currently, they are being driven on the Howard roller-coaster ride of poll driven politics and propaganda driven policies. Shame.

Mrs ELSON (Forde) (10.19 p.m.)—The fifth budget of the Howard government is a clear example of our sensible approach to government. It delivers responsible economic management, which is the hallmark of this government. In fact, such is the strength of our economic management that Australians could be forgiven for thinking that all federal budgets deliver surpluses and meet all forecasts, but we ought never to forget that this was not the case under the previous Labor government. In successive budgets, they promised surpluses and made wild forecasts that they never delivered. The bacon was never brought home. It never made its way to the table, but we were certainly forced to pay for it, and on our national bankcard, no less. We all remember the Beazley black hole of $10 billion that was left to us, after we were promised by the opposition leader himself during the 1996 election that the budget remained in surplus. In fact, in their last five budgets Labor racked up a shocking $80 billion in debt. Throughout his budget address, Treasurer Peter Costello brought home the reality, explaining that the goal of the Howard government is to fix the economy for one real purpose only—so that we can ultimately afford to do the things that need to be done in our local communities.

On this side of the House, we are not driven by economics, but we are pragmatic and we know that the only way you can sustainably fund social spending is by strong responsible economic management. Back in 1995-96, the Commonwealth spent about the same on interest payments, on Labor’s $97 billion debt, as it did on schools and hospitals. With this budget, we have paid back more than $50 billion of that debt. While interest payments have fallen by $3 billion each year, our spending on hospitals and schools has grown by $3.7 billion. It is an important correlation that is often conveniently ignored. It suits Labor and some sections of the national media to try to paint this government as mean, economically driven bean counters. Nothing could be further from the truth. The simple fact is that the only responsible way to fund more spending on schools, hospitals,
roads, support for families and pensioners and so on is to get the economy right.

The alternative is Labor’s approach: big spending that delivers no real or lasting benefit but which keeps debt mounting. Not only does this mean that interest payments rob from the current social spending, but it leaves a huge irresponsible burden that weighs down future generations of Australians. This budget once again gets the basics right—a $2.8 billion surplus which allows us to continue paying back Labor’s debt. Unemployment is expected to fall just below 2.25 per cent next year, which will be the lowest rate in several decades, and growth is expected to remain strong at 3.75 per cent. Leaving aside the one-off price impact of changes to our tax system in July, inflation is forecast to be around 2.5 per cent. With these economic fundamentals in place, the budget funds some vital social programs to benefit all Australians. Unlike Labor’s trendy social welfare programs where the noisiest interest groups always got the special deal, the Howard government is delivering practical assistance to those who need it the most.

Our $562 million boost to health services in rural and regional areas will mean more doctors for the bush and a better level of care for people in regional areas. This is such a boost and, as someone who represents several rural communities, I know that this has been welcomed as a positive and practical way of addressing an issue which is a major concern to many Australians. While this boost to health services receives the lion’s share of media coverage, there were many other significant social programs funded in this budget. These are things that get very little or no mention but which are practical programs which will have a positive impact on the lives of many people. There is the $240 million stronger families and community strategy that provides more child-care assistance and greater flexibility for working parents. It contains the most extensive community leadership program, including youth cadetship programs and backing for community based assistance.

I strongly believe that the greatest advance of this century will not be in technology, rather it will be a reassessment of how we live and focus on building stronger and more cohesive communities. Governments cannot dictate to local communities, but they can help local communities to help themselves. That has probably been one of the single most important changes we have seen under the Howard government. Funding is being directed to local community organisations which know best how to deliver real benefits rather than to special interest groups or peak bodies where funds often do not find their way to local communities. There are so many examples in my own electorate that it would take me the rest of this speech just to list them all—funding for the heritage rail funding support group to get the steam train running from Bethania to Beaudesert and provide a real boost to local tourism, funding for the Boonah Rural Economic Development Institute and funding for the new crops option on Tamborine Mountain to help farmers explore alternative uses for their land. The list of community based projects that this government has lent its financial support to in my local area is tremendous and the stronger families and communities strategy will provide even more opportunities for this government to help local communities to help themselves, and it is a very exciting prospect.

Also in this budget is a $32 million package of support for Vietnam veterans and their families. This is a special needs package in response to the findings of the Vietnam veterans health study. It includes a range of mental health initiatives, including counseling and support for spouses and children of veterans. It also provides for the care of veterans’ children with spina bifida or cleft palate. There is the complete home care package for veterans to provide in-home care and support. This budget also contains the much awaited extension of repatriation benefits for those who served in various conflicts in South-East Asia from 1955 to 1975. Having made many representations on behalf of the local constituents who served at the RAAF base at Ubon, Thailand, I was particularly delighted to see that these men will now receive full recognition for their service, and I congratulate the minister on this very important decision.
This budget also provides a $32 million boost to our blood bank system, including $9 million to fund the establishment of a National Cord Blood Bank. This will provide for a doubling of the number of potentially life saving, blood forming stem transplants being performed. I know that many mums have been frustrated that they were not able to donate this precious material that has the potential to save many lives, and the establishment of a National Cord Blood Bank will be very welcomed.

This budget also increases funding yet again to help make our roads safer—$383 million is being provided to make Queensland’s roads safer, including providing the Ipswich Motorway, Bruce Highway widening and a new access road to the Port of Brisbane. In addition, $41 million will help fix dangerous accident black spots around the nation. This vital program was scrapped under the Labor government and it is tremendous that we can make a difference in such a practical way by fixing these dangerous accident sites in many of my local areas.

Local communities also benefit in a practical way from the $361 million in this budget for the environmental programs under the Natural Heritage Trust. I was delighted last week to attend a graduation ceremony of one of the local Green Corps teams in my electorate. We are fortunate to have several teams working on local projects in my electorate. This particular team have spent the last six months working to restore Alexander Clark Park at Loganholme. In practical terms, their work involved the planting of 4,000 trees, construction of 300 metres of walking track and over 8,000 square metres of weed control. The environmental benefits will be evident for many years to come, but the real delight was the pride in the faces of the nine young graduates who gained valuable skills and real experience and the benefits of this cannot be measured. Green Corps is an excellent practical program under the Natural Heritage Trust, and this budget provides for a continuation of this program giving more young Australians and their communities the chance to benefit.

This budget also provides $55 million for the establishment of the first ever Employee Entitlements Support Scheme to help workers who have been left stranded in the past. Labor have been big on rhetoric on this issue, but the simple fact is that they had 13 years to set up a similar scheme but they did absolutely nothing. The budget also provides an increase of $382 million on funding for education, with more than $11 billion being spent this year. A record $2 billion over the next four years will be spent to fund more apprenticeships and provide more training for young people. There is an additional $63.1 million to help more Australians who need to get access to legal aid. There is also an extra $20 million to provide a boost to diversionary programs to help young people in the Northern Territory and to establish an indigenous interpreter service. There is $111 million for the Farm Help Scheme to support farm families in severe financial difficulties, and the list goes on and on.

These are just a few of the budget programs that barely rate a mention in the national press but will make a very positive difference in our communities. As I said at the outset, spending on vital programs such as these simply would not be possible if it were not for the fact that we have the budget back on track and we are paying back Labor’s debt.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

International Model United Nations Youth Conference: Ocampo, Mr Francis

Mr MOSSFIELD (Greenway) (10.30 p.m.)—In a previous adjournment speech, I spoke about a number of young achievers from Western Sydney. I mentioned, in particular, Francis Ocampo, who represented Australia at the International Model United Nations Youth Conference held in The Hague in January. Francis was one of 15 delegates from Australia and New Zealand selected from a field of over 2,000 young people who sought this honour. The selection process took over nine months and looked closely at the candidates’ oratory and debating skills, personal confidence, academic ability, active
Francis has presented me with a report on his involvement in this conference and, with his agreement, I would like to refer to some of the highlights of that report. Nearly 4,000 students from over 100 countries attended the week-long 31st session held in the Dutch seat of parliament. During the conference, students participated in a simulation of various United Nations bodies, including the General Assembly, the Security Council, the Economic and Social Council, the Human Rights Commission and the International Court of Justice.

Francis was assigned to the General Assembly’s 5th Committee that is in charge of the administration and budgetary matters of the UN. The three agenda points that this committee was allocated to discuss were: equitable representation on, and increase in the membership of, the Security Council; review of the use of voluntary funds administered by the UN High Commissioner for Refugees; and improving the financial situation of the United Nations. These topics proved to be both interesting and controversial as 120 nations and NGOs attempted to bring their views to the forefront of the debate.

Francis was able to write his own resolution on this committee, which related to the use of voluntary funds administered by the UN High Commissioner for Refugees that focused on greater equality in the distribution of money and resources amongst the different refugee crises around the world. Francis was able to process his resolution through the various negotiation steps within the UN and finally to have the resolution passed 88 to 6, with 26 abstentions.

Issues debated at the conference ranged from youth unemployment, the situations in Afghanistan and East Timor, biological diversity and nuclear non-proliferation to sanctions against Iraq, United Nations reform, the creation of an international criminal court and the eradication of landmines. By writing, presenting and lobbying for resolutions, delegates discovered both the theoretical and practical sides of the United Nations, world issues and international politics. This hands-on experience provided the delegates with an understanding of global politics. This gave the Australian delegates an opportunity to participate in an event that allowed our young people to both think and operate outside of the confines of our island nation.

The theme of this year’s conference was ‘Water, life and the environment, from vision to action’. This was a theme of particular interest to Australia, being the driest continent in the world. Delegates were asked to establish a long-term vision of water, life and the environment, concentrating on the equal distribution of clean drinking water amongst the world population, especially in developing Third World countries. Great emphasis was placed on the quality as well as the quantity of the world’s drinking water. At the end of the conference, a youth perspective action paper was developed to be handed over to the Second World Water Forum, which was held in the Netherlands in April this year.

The Australian delegates were very active on the floor of the conference, proposing in all 15 resolutions; 13 of these resolutions were approved for debate, nine were passed by their subcommittees and six went on to be presented to the Secretary-General, Kofi Annan, the General Assembly and the Second World Water Forum. I congratulate Francis Ocampo and all of the Australian delegates to the 32nd The Hague International Model United Nations Conference. I wish them all well for the future.

**Trade: Exports**

Lisa Lodge: Reconnect Program

Mr RONALDSON (Ballarat) (10.34 p.m.)—I would like to quote from a terrific publication put out by Austrade, in conjunction with the Ballarat Courier, entitled Leading industries assisting Ballarat companies to export. I will quickly read through the appropriate part of this fine document. It says:

Since its establishment in October last year, the Tradestart office in the Victorian Business Centre has helped a host of regional companies in their export endeavours.

The establishment of the Ballarat office was the result of the Federal Government’s initiative to
help regional and rural businesses break into exporting.
Spread over four years and costing about $16 million nationally, Tradestart offices help small and medium sized enterprises achieve sustainable success in their first export market by providing a range of services, including the Federal Government’s national Export Access Program.
The office is operated jointly by the Australian Institute of Export and Austrade and gives companies the opportunity to tap into the valuable business intelligence Austrade’s unique global network of more than 100 offices worldwide can provide.
Ballarat Office Export Development manager John Finch said since its opening in October last year, Tradestart has been able to provide export advice and assistance to many companies throughout the region.
“The number of enterprises exporting in this region continues to grow and we are pleased to be able to assist,” Mr Finch said.
“Some local companies that have been assisted in the transition from dealing domestically to trading internationally are Auspork Ltd, Daylesford, and Stony Creek Oil Products at Talbot.”
Mr Finch said Auspork Ltd was supplying weekly shipments of chilled pork to the supermarkets of Singapore.
“Auspork has its product from paddock to plate in Singapore in 72 hours,” he said.
In August of this year, Ballarat is having an export week, and I am very pleased that the Minister for Trade will be opening and launching it in Melbourne, where we hope to attract a large number of Melbourne based companies The Prime Minister is presenting the export awards on the Wednesday night, and we are showcasing the Ballarat region to the rest of the world. Some would say that Ballarat does not need to be showcased to the rest of the world, because the rest of the world is already aware of our marvellous position. But I think it is always very useful to reinforce the message about the export companies and the industries and the employment being generated out of the Ballarat region. Honourable members may or may not be surprised to know that some 80 companies in the Ballarat region are now exporting overseas. That is a very exciting development for a region that is, dare I say it, grabbing the bull by the horns and making the export endeavours that are required. And it is not just a single industry focus, either: it is right across the board, from confectionery and processed food to Stony Creek Oils, which is a new and interesting company, to Auspork and many others. I am very pleased by those endeavours.
On a slightly different note, I would like to congratulate an organisation in my electorate, Lisa Lodge, which in conjunction with child and family services received funding last week of some $585,000 for the Reconnect Program. The Reconnect Program, as I am sure honourable members will be aware, is about assisting families and ensuring that we do something about the terrible blight on our society called youth homelessness. The Reconnect Program is about preventive work in relation to this area. There is no doubt that there are many families who feel enormous strain and that there are interpersonal relationship breakdowns within families that can lead to homelessness. I am very pleased that these two organisations, which will be delivering not only in Ballarat but in areas outside of Ballarat city, have received this much-needed funding. I am sure that, with their bona fides and endeavours and skills that they have shown in other areas, they will do a great job in delivering this very important program.
Scientific Research: Funding Cuts
Mr MURPHY (Lowe) (10.39 p.m.)—Among the less well-informed, a myth exists that various technical devices we use in our daily lives came into being by a form of magic. People who believe this myth suppose that products we take for granted were brought into existence solely by the inspiring effect of market forces. The origin of many technical devices is in fact significantly more complex than this simple proposition suggests and, in most cases, has involved both market forces and an underlying basis of scientific discovery. Radio technology, for example, is a product of a centuries-long process of the investigation of wave phenomena by university academics who initially set out to understand the physics of violin strings.

Like radio, many of the technical devices we use these days had their origins in the curiosity driven research of academic scien-
tists. The growth of modern economies is partly due to the exertions and investigations of generations of scientists and engineers. In today’s world, a scientifically literate population and a thriving higher education sector are essential for economic success. With some exceptions, the nations that have supported science in their national spending are highly successful. These countries have educated, well-paid workers, and their income distribution is generally fair. Their people are healthy and well fed, and their political structures are stable and democratic.

Despite these benefits, the Howard government has slashed support for basic science and has cut university budgets to such an extent that research work in many universities is under severe financial pressure. These days, four out of five research projects are rejected, often after months of detailed and difficult preparation. The government’s hypothesis that private industry will pay for curiosity driven research is plainly ridiculous, yet it is just this proposition that the government turns to in justifying its failure to properly fund university research workers.

There are other dubious propositions that the government employs to justify its position. Some misguided commentators have suggested that science has found virtually all that there is to be discovered and that there is nothing more to be gained from further funding of scientific research. Others, such as postmodernists, claim that the discoveries of science, rather than being dispassionate descriptions of nature, are simply myths designed to legitimise Western dominance over other cultures. Proponents of those uninformed points of view found their arguments enthusiastically accepted by the hatchet-wielding Thatcher government—an icon of failure, incidentally, that the Howard government frequently draws succour and guidance from.

The implication that money spent on basic research is being wasted found favour with the Thatcherites who were hell-bent on reducing the size of the public sector. There seems little doubt that these same feral attitudes are entrenched within the ranks of the Howard government and are regularly drawn upon to rationalise funding cuts. The consequence of this ignorance is a government science policy that is uninformed and based on opinion and prejudice rather than on rational decision making processes.

The explanation for the government’s failure to properly fund science budgets lies in its hostility towards scientists and academics who dare question the government’s political agenda. Nowhere is this more apparent than in the government’s doctrinaire position on global warming and climate change. Despite rigorously tested evidence from the most eminent climatologists, the government continues to argue that global warming is simply speculation and that there is no need to take action to reduce carbon dioxide emissions. The well-known coalmine shareholder, former senator Warwick Parer, when asked about the government’s policy on global warming, was reputed to have said that he had not yet seen any evidence for global warming. The scientists must have shuddered.

Not content with attacking research budgets and demolishing funding for university research workers, the government has also targeted university graduates as a source of revenue. They are, through HECS, being squeezed for money at the same time as university facilities are starved of funds. While HECS was not designed to be a financial disincentive for low income earners wanting to take up higher education, under this government that has become its effect. Those members of the government who benefited from a free education under the Whitlam government and who now demand mutual obligation are hypocrites. Today, many students will leave university burdened by a debt sufficient for the deposit on a small property.

Just to ensure that students understand the government’s priorities, HECS fees for science and engineering students have been increased to a level where bright students from a low income background are now strongly discouraged from undertaking tertiary education. The universities our children are now entering are short of modern teaching equipment, have few support staff to prepare classes, and have professors or lecturers who are no longer conversant with the latest find-
ings. One can only hope that the university system will survive long enough for a Beazley government, with a vision for a knowledge nation, to be elected and for the Howard experiment to be terminated.

Sutherland Shire Domestic Violence Committee

Mr BAIRD (Cook) (10.44 p.m.)—The second reading debate on a bill in the New South Wales parliament on child protection and excessive punishment occurred a few weeks ago. This bill aimed to codify the common law provisions of the defence of lawful correction to bring a greater degree of certainty to the judicial interpretation of what is meant by ‘lawful correction’. The goal is to provide clear guidance to parents by clearly defining what is lawful correction and to minimise the risk of physical harm to children through discipline. The backing the bill received from various child welfare lobby groups highlighted, if anything, a need for education in the community on the boundaries separating child discipline and abuse.

Therefore, tonight I want to commend the work of one of my electorate’s local community organisations, the Sutherland Shire Domestic Violence Committee, which has been actively involved in community education on this issue for seven years. The committee also focuses on improving outcomes for sufferers of domestic violence by working to improve their services. The committee has been active in community education programs and has helped to influence the state government. For example, the committee was instrumental in ensuring that children who witness domestic violence are considered by the Department of Community Services as people at risk; the committee has been pushing the agenda for ensuring more services for children, and will soon launch its core education campaign; and the committee was behind the ‘court assistance scheme’, which is funded by the state government. This scheme focuses on legal aid and court based community workers. This scheme also aims to ensure correct court orders are obtained and that the sufferers of abuse are treated with respect within the court system.

The committee is run by Joy Goodsell and Lola Hearn of Family Support, Margaret Gleeson of Sutherland Shire Council, Hillary Sanders of Centrelink, Norma Glen, a leading local businesswoman, and representatives from the police, the Department of Health, the neighbourhood centre and the Sutherland local court.

I had the pleasure of attending a domestic violence awareness day in the Sutherland Shire late last month which was organised by the committee. The awareness day presented the opportunity for the committee to launch its ‘What is domestic violence?’ poster. The poster will be distributed throughout the country, with the aim of better educating people about this disturbing behaviour. The committee also launched its new project ‘The cutting edge’, which targets women’s confidantes, such as hairdressers, et cetera.

While primary responsibility for service delivery in this area of social policy falls to the state government, the Commonwealth Minister for Family and Community Services has brought a federal government focus to domestic violence through the Partnerships Against Domestic Violence initiative, which is administered through her department. The purpose of Partnerships Against Domestic Violence is to find more effective ways of preventing domestic violence across Australia. This includes primary prevention to address the generational transmission of the effects of domestic violence, and early intervention to address the damage to children.

The Howard government has already demonstrated a very clear and strong commitment to eliminating domestic violence through the provision of $25.3 million under Partnerships in 1997-98. This initiative represents a significant commitment by Australian governments to work together with the community to discover how to better prevent and respond to domestic violence by testing new approaches, identifying good practice and sharing knowledge. In October, the minister announced that the Commonwealth had moved swiftly to capitalise on the outcomes to date of Partnerships by providing in the 1999-2000 budget a further $25 million over four years to June 2003. Through this funding, the government will focus on such areas as community education and work with perpetrators and children at risk. The minister
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has indicated she would like to see greater communication between the organisers of the Partnerships program and local anti-domestic violence bodies.

I have ensured the Sutherland Shire Domestic Violence Committee is recognised as the representative body for the electorates of Cook and Hughes. I commend the work of the Sutherland Shire Domestic Violence Committee and urge other members to ensure that their constituents receive the benefit of the federal government’s Partnerships initiative by ensuring that local women’s refuges or domestic violence committees are kept informed of the program. This is an outstanding program. It is an outstanding group of committed women who themselves have experienced first hand the problems of domestic violence. They have turned that particular suffering into use by the community to develop programs in association with the state and federal governments and with the council to develop an overall program to service the local community. I certainly support their program and the way they have included the community, and I look forward to working with them in the future.

Stirling Electorate: Innaloo Home Owners

Ms JANN McFARLANE (Stirling) (10.49 p.m.)—Tonight I would like to talk about the win for Innaloo home owners. The win is that the residents of Oswald Street in precinct 3 of Town Planning Scheme 38 have now been advised by council that a levy that was going to be placed against them for road widening works in Oswald Street will be changed to a developer’s fee. This is not just a win for the Innaloo residents of Oswald Street; it is a win for the council of the City of Stirling, it is a win for social justice, it is a win for common-sense and it is a win for positive outcomes when people work together in a cooperative, consultative and harmonious matter to deal with an issue that affects their lives.

What is the win? What is this levy? The levy was raised by the City of Stirling under town planning scheme 38, and it was advised to the residents in early 1999. At that time the residents came to my office very upset about it because it was unprecedented for them to have to pay three stages of a levy to council over an 18-month period, along with two sets of rates and two sets of water rates. It was quite an impost on these people. They do not live in one of the up-market, expensive areas; they live in humble homes at the north side of the shopping centre. Most people had lived there for between 30 and 50 years, and many were retired people on low incomes. They were concerned about the levy and their ability to pay, but they were also bewildered because it was the first time any of them had ever experienced a situation where they would have to pay for roadworks that would benefit the shopping centre next door which was being developed into a large regional shopping centre. It was a situation that I had never come across in my 25 years of community work or in my then couple of months as the federal member for Stirling.

The council initially took a view with the residents that the town planning scheme was legal and that the residents would have to pay. After some negotiation by the residents and some support of them by me on the issue, the council decided that they were legally correct and that the levy would have to be paid, and they would not negotiate. However, time went on and the residents were firmly resolved to work together. They continually approached their ward councillors, their state members—upper and lower house—their candidates for the forthcoming state election and me to continually negotiate with the council that the imposition of the levy would cause great disadvantage to them and that it was basically unfair.

The residents finally in frustration went to the state ombudsman, who looked at the situation and found what I had found and the council had found—the levy was legally correct. However, like me, the ombudsman found that the levy was also somewhat morally and ethically unsound. The ombudsman suggested to the council that they relook at the situation. John Quigley, the ALP candidate for Innaloo, who has a legal background, became involved with helping the residents deal with the negotiations with the council. In looking over the paperwork he discovered that there were different ways that you could do the levy. The outcome was that Mr Quigley put to the council that if they thought the ability to rezone a residential property in-
creased the value at that point then this was the stage at which any Town Planning Scheme 38 fees should take effect, not while the property was zoned residential.

While he and the council agreed that this meant no-one with a residential zoning need worry about caveats, it also meant that the council had to change the way they treated the road widening works and payment for it. The council decided—in their wisdom, and after a long period of protracted negotiations—that they would change the levy into a developer’s fee so that no resident was affected by the levy but that the person who brought the property in the future for development would be liable for the levy. John Quigley made the point that the Innaloo residents involved in precinct 3 should be congratulated for their commitment to getting a just outcome in this matter and for pursuing their complaint with such dignity and determination. He was also pleased to play a small part in the victory, and so was I. A win for residents—a win for a cooperative, harmonious, consultative approach—is a win for everybody.

**Total Control Rock Eisteddfod**

Mr IAN MACFARLANE (Groom) (10.54 p.m.)—While many of my colleagues—and perhaps most of Queensland and New South Wales, and hopefully a few South Australians and Victorians, and even perhaps a few Western Australians—were watching the State of Origin last week, the result of which I do not wish to discuss, I had the pleasure of attending the Total Control Rock Eisteddfod in Toowoomba. The rock eisteddfod in Toowoomba is made up of contestants from a number of schools, both in my region and in the adjoining electorate of Maranoa. Those students—some of them as young as grade 7—spent the evening enthralling and entertaining us with an absolutely spectacular display of costumes, dance, song, colour and enthusiasm. The initiative of these students can only be admired. But, even more so, I admire them for the fact that they were there to celebrate 100 per cent control, 100 per cent drug and alcohol free. The eisteddfod is a monument to not only the sheer ingenuity and imagination of young people but the fact that they also believe and demonstrate that they can enjoy themselves without drugs and without alcohol.

Worthy winners on the night were the Miles State High School with an absolutely spectacular display. The runners-up were the Cecil Plains and Dalby high schools, and Jandowae school—which is a place that few people know but I once delivered quite a bit of wheat to—received a special prize because the whole school participated in the evening. That school only goes to grade 10, and they had to enlist some grade 7s. Perhaps unlucky on the night—though I would never question the umpire nor the judges—was Pittsworth State High School. A great display from them was not rewarded with a place, but at the same time they won several prizes for segments of the evening.

I did, however, the day before Pittsworth performed, have the pleasure of visiting the Pittsworth school, which is in my electorate, and I could not help but be struck by a program in which the year 11 and 12 students were involved, being run in cooperation between Pittsworth state high and Queensland Health. In fact, on 4 May they held their first alcohol and drug focus day where senior students demonstrated to their peers—to their fellow year 12 students and also to year 11 students—the importance of responsible alcohol, tobacco and other drug use among young people. Some people may be a bit taken aback that year 11 and 12 students—with the complete blessing of the school, Queensland Health, Education Queensland and, of course, the parents of the students—actually participated in a program where they were supplied with alcohol. The reason for the day, of course, was to emphasise in the program the importance of safe use of these drugs, which students will from time to time come into contact with, and to develop strategies which can be used to reduce or eliminate the harm coming from bad behaviour associated particularly with the intake of alcohol. There is no doubt that the program assisted students in making informed choices and decisions about drug and alcohol use.

Student facilitators included Anna Schultz, David Briskey, Melissa Weller, John Segrott, Lauren Stewart, Matt Tyson, Johanna Hohns, Mark Willocks, Anita Kelly, Mark
Krinke and Angela Cornford. Those people have been using their time to assist each other and to develop a program so that they can teach other students about the issues relating to alcohol and drug use. We in our society do have an acceptance of alcohol and tobacco use, and it is important that students develop a responsible approach to these drugs as they come into contact with them. I can only admire the foresight of these students, parents and administrators in realising that students of the ages of 16 and 17 are coming into contact with those substances and that they are being taught how to use them responsibly. *(Time expired)*

Question resolved in the affirmative.

**House adjourned at 10.59 p.m.**

**NOTICES**

The following notices were given:

**Mr Anderson** to present a bill for an act to amend the law relating to transport, and for related purposes.

**Dr Lawrence** to move:

That this House:

(1) recognises the importance of preserving our military history and heritage for future generations;

(2) applauds the work of the volunteers and returned service men and women in promoting and preserving our military heritage; and

(3) calls on the Government to retain in public ownership sites of significance for our military heritage and history, for example, the Fremantle Artillery Barracks and associated Army Museum.

**Mr Beazley** to move:

That this House:

(1) congratulates the many thousands of Australians who walked in support of reconciliation on 28 May 2000 in Sydney and elsewhere;

(2) acknowledges this clear and unequivocal public expression of support for the process of reconciliation between indigenous and non-indigenous Australians; and

(3) calls on the Government to respond positively to the clear and unequivocal public support demonstrated on the weekend of 27-28 May 2000 for a national apology for injustices suffered by indigenous Australians as a result of past practices, including the removal of children from their parents.

**Mr Beazley** to move:

That this House, on behalf of all Australians:

(1) expresses its sorrow and apologises unreservedly for the hurt, grief and suffering experienced by Aboriginal and Torres Strait Islander peoples over many generations as a result of the policies of Australian governments over time that have caused or allowed the separation of Aboriginal and Torres Strait Islander children from their parents, families and communities;

(2) acknowledges and apologises for the fact that the history of European settlement of Aboriginal and Torres Strait Islander lands has been marked by many indefensible wrongs inflicted on the lives, cultures and heritage of indigenous peoples over time; and

(3) reaffirms its commitment to the goals and processes of true reconciliation between indigenous and non-indigenous Australians across Australia.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Veterans: Hearing Aids
(Question No. 1173)

Mr Wilkie asked the Minister for Veterans’ Affairs, upon notice, on 16 February 2000:
(1) What criteria are used for the issue of hearing aids to veterans.
(2) Is there an opportunity to personally tailor hearing aids for those veterans who require a different aid.
(3) Is he able to say whether the US has recently, under the Eligibility Reform Act 1996, allowed its veterans to customise the requirements above standard issue hearing aid; if so, will the Government do likewise.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:
(1) There are two criteria for providing hearing aids to veterans. The first is eligibility for services under the Commonwealth’s Hearing Services Program, as defined in the Hearing Services Administration Act 1997. These are that the person have reached the age of 21 years, be an Australian citizen or an Australian permanent resident, and be covered by one of the following categories:
(a) a holder of a Repatriation Health Card for All Conditions (Gold Card);
(b) a holder of a Repatriation Health Card for Specific Conditions (White Card) issued in respect of conditions which include hearing loss;
(c) a holder of a Pensioner Concession Card;
(d) a holder of a Health Care Card where the card is held because the person is in receipt of sickness allowance under the Social Security Act 1991;
(e) a person who is a dependant of one of the people mentioned in (a) to (d) above;
(f) a member of the Australian Defence Force; and
(g) a person referred to the Minister for Health and Aged Care in connection with the provision of a service under a rehabilitation program under Part III of the Disability Services Act 1901.

The second criterion is clinical need. This criterion is determined after a series of hearing tests by qualified audiologists and audiometrists under contract to the Office of Hearing Services. People with complex needs are referred to Australian Hearing Services where they have access to further services.

The type of hearing aid model recommended depends on the level and type of an individual’s hearing loss.

(2) There is no such thing as “the standard hearing aid”. There are 325 hearing devices currently available to veterans at no cost to them. These are mainly used behind the ear, in the ear, or in the ear canal. The hearing aids have different features, such as telecoil switches and alternate volume controls. Depending on the aids, they can be tailored to individual requirements through the choice of different types of circuits, and the provision of ear moulds made from impressions of the individual’s ear(s). Hearing aid settings are also programmed or set according to individuals’ needs. A further 229 hearing aids are available as top-up items, for which the individual bears part of the cost.

(3) The United States’ Department of Veterans Affairs does not have a range of hearing aids which are standard issue items for its veterans. Hearing aids are selected to meet the hearing rehabilitative needs of particular veterans, and many types and models of hearing aids are available through national contracts. These range from completely in the canal to body type aids, and include both custom in-the-ear and stock hearing aid models, as well as some which use directional microphone technology. Audiologists conduct needs assessments and clinical evaluations to determine the appropriate hearing aid type with the patient. The types of circuits are customised for the patient – there are several types available. While programmable hearing aids have been available to United States veterans since July 1998, fully digital aids are not provided as part of the contracts.

The situation in Australia is almost identical - see (2) above.

Western Sydney: Equality of Education
(Question No. 1187)
Mr Mossfield asked the Minister for Arts and the Centenary of Federation, upon notice, on 16 February 2000:

(1) Is the Government taking steps to achieve equality of education and training in music and the arts for the Western Sydney area.
(2) Is the Government taking steps to encourage a culture of private philanthropy and benefaction to the arts, particularly in Western Sydney.
(3) What steps is the Government taking to encourage an appreciation and patronage of the arts by the youth in Western Sydney.
(4) What short term and long term benefits would accrue to the community at large by an increase in the patronage and appreciation of the arts in Western Sydney.
(5) Does the Government have proposals for increased encouragement and financial involvement in the promotion of arts and culture in Western Sydney; if so, what.
(6) Are there imbalances in funding of, or participation in, the arts and culture in Western Sydney; if so, what steps is the Government taking to correct the imbalances.

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

(1) Yes. The Government funds a number of national arts training centres of excellence through the Department of Communications, Information Technology and the Arts. A number of these centres are based in Sydney and each of the centres is open to applicants from across Australia. The centres include the Australian Ballet School, the Australian National Academy of Music, the Flying Fruit Fly Circus, the National Aboriginal and Islander Skills Development Association, the National Institute of Dramatic Art and Youth Music Australia.

Two major performing arts companies funded through the Australia Council, the Bell Shakespeare Company (BSC) and Musica Viva, tour education programs to Western Sydney each year, and BSC also tours there annually with its regional touring production. In 1999, the BSC performed its regional touring production of _Romeo and Juliet_ in Parramatta, and a production for primary schools of _The Listmaker_ in Parramatta and Penrith; the BSC Actors at Work program visited 19 high schools in 17 Western Sydney suburbs and presented 32 performances to a total audience of 4,498; and the Musica Viva in Schools program visited 72 primary schools in 55 Western Sydney suburbs and presented 207 performances to a total audience of 34,155. In 1999 also, a total audience of 3,362 from Western Sydney attended 64 performances of the Sydney Symphony Orchestra as part of its Meet the Music, Schools Concerts, Open Rehearsals and Seminars programs.

(2) Yes. Private philanthropy and benefaction to the arts are encouraged through the existing cultural donation programs: the Cultural Gifts Program, the Cultural Bequests Program and the Register of Cultural Organisations. These programs enable tax deductibility for donations to approved cultural organisations. Some 800 cultural organisations and 400 public collecting institutions throughout Australia benefit from these programs including a number of organisations and institutions in Sydney’s western suburbs.

In March last year the Prime Minister announced a package of tax measures designed to significantly boost philanthropy including cultural philanthropy.

Subject to the passage of enabling legislation, donations under the Cultural Gifts Program, with effect from 1 July 1999, will be exempt from capital gains tax and donors will be able to apportion their deductions over a period of up to five years. Bequests to charitable organisations and institutions will now also be exempt from capital gains tax.

The new provisions will also permit tax deductibility for gifts of appreciated (non-cultural) property such as land, real estate and shares, acquired more than twelve months previously, and will enable the creation of a new category of private fund to be approved by the Tax Office to support charitable institutions. These provisions will provide a valuable new form of charitable assistance to the arts.

The Government has also forged stronger links between business and the cultural community through its funding of the Australia Foundation for Culture and the Humanities. The Foundation’s initiatives—such as _The Business Case for Cultural Investment Guide_ which assists companies in planning, developing and evaluating successful partnerships with arts organisations, and _The Cultural Products Menu_ which assists corporations find their perfect cultural partner—seek to increase strategic business investment in the cultural sector. The Foundation has negotiated twelve business-cultural
partnerships, involving companies such as Deloitte Touche Tohmatsu, Qantas, Rio Tinto, Siemens and Westpac Banking Corporation.

(3) The Australia Council, the Commonwealth’s principal arts funding and advisory body, has provided significant support to artists and arts organisations in Western Sydney, including 29 grants totalling $832,904 in 1998-99. Council funding in 1999-2000 has included seven grants totalling $200,592 through its Community Cultural Development Fund alone. Council grants for projects by, involving or directed towards young people in Western Sydney in these two years include the following:

<table>
<thead>
<tr>
<th>Bankstown Youth Development Service</th>
<th>Youth Complete the design of multicultural playspace and surrounds</th>
<th>15,900</th>
</tr>
</thead>
<tbody>
<tr>
<td>Catherin C Jinks, Leura</td>
<td>Fiction, children's literature</td>
<td>25,000</td>
</tr>
<tr>
<td>Des Hickey, Cambridge Park</td>
<td>Write and illustrate three Aboriginal children’s stories</td>
<td>14,980</td>
</tr>
<tr>
<td>High Street Youth Health Service, Harris Park</td>
<td>Cement garage project - creative development and production</td>
<td>27,920</td>
</tr>
<tr>
<td>Powerhouse Youth Theatre Inc., Casula</td>
<td>Wild Nights performance project</td>
<td>25,000</td>
</tr>
<tr>
<td></td>
<td>Cross cultural youth performance</td>
<td>23,900</td>
</tr>
<tr>
<td>Powerhouse Youth Theatre Inc., Casula, with PACT Youth Theatre, Erskineville, and Shopfront Theatre for Young People, Carlton</td>
<td>1999 activites - professional artist fees</td>
<td>20,000</td>
</tr>
<tr>
<td></td>
<td>Ignition - discount incentive scheme for young people to attend youth theatre performances</td>
<td>24,600</td>
</tr>
</tbody>
</table>

The Australia Council’s Youth and the Arts Framework is an initiative toward developing appreciation of and participation in the arts by young people, as well as general recognition of the many relationships between art and young people in the Australian community. The Framework is a result of extensive research and consultation with the field, and with a number of expert commentators which included artworkers at Urban Theatre Projects, the University of Western Sydney and a Western Sydney Regional Gallery. Focus groups held around the country included young people from Western Sydney.

The Australia Council’s Audience and Development Division is implementing a New Audiences program which aims to test imaginative and innovative ways of opening up the arts to young people, including children and those in various age groups under 35. A Program advertisement in September 1999 has attracted 70 proposals, and Western Sydney organisations will benefit from the resulting funding.

The Government has announced an extension of $2.5M over two years for the re-titled Young and Emerging Artists Fund and $1.5M for the 2001 LOUDER festival of youth arts. Both of these will be managed by the Australia Council.

The Commonwealth’s Visions of Australia program supports the touring of exhibitions of Australian cultural material, and is administered by the Department of Communications, Information Technology and the Arts. The following exhibitions with a youth focus have recently or will shortly tour to venues in western Sydney.

- ‘Fascinating Science’ toured by National Science and Technology Centre
  Parramatta Heritage Centre 16/10/00 - 31/1/01
- ‘Circus’ toured by the Powerhouse Museum
  Liverpool Regional Museum 26/3/99 - 14/6/99

The Commonwealth’s Playing Australia program provides grants to companies, producers, venues, presenters and tour organisers to tour performing arts across the country.
The following productions had/will have performances at the Parramatta Riverside Theatre in 2000 as a result of this program:

- HIT Productions’ ‘Hotel Sorrento’ in February;
- Northern Rivers Performing Arts’ ‘The Mercenary’ in March;
- Playbox Theatre Company’s ‘Secret Bridesmaids Business’ in March;
- Chunky Move’s ‘Bodyparts’ in April;
- Sydney Theatre Company’s ‘Beauty Queen of Leenane’ in May;
- WA Ballet’s ‘Carmen’ in July; and
- Leigh Warren and Dancers’ ‘Masterpieces of the 20th Century’ in October.

The dance companies touring under the Playing Australia program will be conducting masterclasses, in conjunction with Ausdance NSW. Similarly, many of the theatre companies target schools in promoting their programs.

(4) The arts provide a powerful way of reflecting upon deeply felt personal experiences and of speculating about the possibilities of life. Communities and the individuals within them can find new ways of seeing, celebrating and questioning their past, present and future through the arts. Moreover, the creativity of artists provides a resource which can be drawn on by the wider community.

(5) One of the Australia Council’s priorities for the period 1999-2001 is the development and implementation of its Promoting the Value of the Arts Strategy.

In implementing this strategy, the Council is seeking to encourage Australians to develop a greater understanding and appreciation of the arts, so that Australians see the arts as being relevant and meaningful both personally and nationally.

The Council is currently developing specific strategies to help to meet these objectives, and intends to work with the arts sector to implement the strategy.

The Promoting the Value of the Arts Strategy is underpinned by considerable quantitative and qualitative research undertaken nationwide, including in the western Sydney area, in 1998-99.

The strategy is to be implemented nationally.

(6) The Australia Council distributes its funding on the basis of artistic merit as determined by artistic peers, and not on the basis of location.

One of the intentions of the Promoting the Value of the Arts Strategy is to increase the participation rate of Australians in arts activities.

The Australia Council has advised that any analysis of funding for particular sections of a metropolitan city is complicated by the nature of attendance at arts and cultural activities.

As in most metropolitan centres, most of Sydney’s arts and cultural facilities are located in the centre of the city; these ventures attract patrons from all over the metropolitan area.

Major performing arts companies based in the City of Sydney, include the Sydney Theatre Company, Bangarra Dance Theatre, the Sydney Dance Company, the Sydney Symphony Orchestra, Bell Shakespeare Company, Musica Viva and Opera Australia. These companies include Western Sydney residents in their subscriber bases and in box office customers.

**Australian Taxation Office: Amended Assessment Processing**

*Question No. 1240*

Ms Jann McFarlane asked the Treasurer, upon notice, on 9 March 2000:

(1) What criteria are used for an overall test of reasonableness when the ATO states that the sole delay for the processing of an amended assessment was due to the problem experienced with its 1998 computer processing system.

(2) Is 11 months a reasonable period of time for an amended assessment to be entered into the 1998 computer system; if not, what time period is considered to be reasonable.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

(1) and (2) No amended assessments were delayed for eleven months solely as a result of the 1998 computer system problems. The maximum delay experienced would have been about eight weeks.
**Goods and Services Tax: Diesel Fuel**  
*(Question No. 1244)*

Mr Latham asked the Treasurer, upon notice, on 9 March 2000:

1. Is the Government introducing a Diesel and Alternative Fuels Grants Scheme to offset the impact of the GST on diesel fuel use in prescribed areas in non-metropolitan Australia.
2. What is the estimated annual cost of the scheme and how will grants be distributed.
3. Is the Government using section 96 of the Constitution as its head of power for this scheme; if not, under what Constitutional power is the scheme operating.
4. What other GST concessions is the Government considering for prescribed areas.

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

1. No. The Diesel and Alternative Fuels Grants Scheme (DAFGS) will provide grants to users of diesel and certain alternative fuels in order to cut transport costs, particularly in rural and regional Australia. The application of this grant, in addition to the input tax credits for business, will lower the cost of diesel used in many transport vehicles by around 24 cents per litre.
2. The cost of the scheme is contained in the 2000-01 Budget Papers.
3. The power of the Commonwealth to appropriate money for grants is contained in Section 81 of the Constitution.
4. The DAFGS is not a GST concession, but a grant scheme.

**Goods and Services Tax: Caravan Parks**  
*(Question No. 1247)*

Ms Hall asked the Treasurer, 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 Costello—The answer to the honourable member’s question is as follows:

All Australians, including residents of caravan parks will be better off under The New Tax System.

With respect to 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 chose 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.

**Royal Australian Air Force: Discharges**  
*(Question No. 1254)*

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 13 March 2000:

1. Further to the question No. 74 (Hansard, 9 February 1999, page 2266), to date of answering this question, how many RAAF personnel in total have been (a) discharged or (b) advised that they will be discharged under the Chief of Air Staff Directive on RAAF Fitness Policy.
2. To the date of answering this question, how many Army personnel in total have been (a) discharged or (b) advised that they will be discharged under the Chief of General Staff Directive on Army Individual Readiness.
3. How many of the discharged personnel referred to in parts (1) and (2) have received a (a) class A, (b) class B, or (c) class C invalidity benefit under the (i) Defence Force Retirement and Death Benefits Scheme (DFRDB) and (ii) Military Superannuation and Benefits Scheme (MSBS).
4. How many of the discharged personnel referred to in parts (1) and (2) are awaiting determination of their applications for invalidity benefits under either the DFRDB or MSBS schemes.
Mr Bruce Scott—The answer to the honourable member’s question is as follows:

(1) (a) and (b) RAAF personnel discharged or advised of discharge from 9 February 1999 under the Chief of Air Force “Directive on RAAF Fitness Standards” are as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Discharged</th>
<th>Advised of Discharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Airman</td>
<td></td>
<td></td>
</tr>
<tr>
<td>AC/W</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>LAC/W</td>
<td>9</td>
<td>-</td>
</tr>
<tr>
<td>CPL</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>SGT</td>
<td>3</td>
<td>-</td>
</tr>
<tr>
<td>FSGT</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>WOFF</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>21</td>
<td>Nil</td>
</tr>
<tr>
<td>Officers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>FLGOFF</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>FLTLT</td>
<td>-</td>
<td>1</td>
</tr>
<tr>
<td>SQNLDR</td>
<td>-</td>
<td>-</td>
</tr>
<tr>
<td>Total</td>
<td>0</td>
<td>2</td>
</tr>
</tbody>
</table>

(2) (a) and (b) Army personnel discharged or advised of discharge from 9 February 1999 under the Chief of Army’s “Directive on Army Individual Readiness Notice No Detriment Provision” are as follows:

<table>
<thead>
<tr>
<th>Rank</th>
<th>Discharged</th>
<th>Advised of Discharge</th>
</tr>
</thead>
<tbody>
<tr>
<td>Other Ranks</td>
<td></td>
<td></td>
</tr>
<tr>
<td>WO1</td>
<td>1</td>
<td>-</td>
</tr>
<tr>
<td>WO2</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>SSGT</td>
<td>8</td>
<td>-</td>
</tr>
<tr>
<td>SGT</td>
<td>7</td>
<td>-</td>
</tr>
<tr>
<td>CPL</td>
<td>39</td>
<td>-</td>
</tr>
<tr>
<td>LCPL</td>
<td>6</td>
<td>-</td>
</tr>
<tr>
<td>PTE</td>
<td>49</td>
<td>1</td>
</tr>
<tr>
<td>Total</td>
<td>117</td>
<td>1</td>
</tr>
<tr>
<td>Officers</td>
<td></td>
<td></td>
</tr>
<tr>
<td>LTCOL</td>
<td>7</td>
<td>2</td>
</tr>
<tr>
<td>MAJ</td>
<td>21</td>
<td>16</td>
</tr>
<tr>
<td>CAPT</td>
<td>13</td>
<td>7</td>
</tr>
<tr>
<td>LT</td>
<td>7</td>
<td>4</td>
</tr>
<tr>
<td>OCDT</td>
<td>26</td>
<td>10</td>
</tr>
<tr>
<td>Total</td>
<td>74</td>
<td>39</td>
</tr>
</tbody>
</table>

(3) (a) (b) (c) (i) and (ii) The following classification of invalidity Class A, B or C only applies to members who have been medically discharged from the ADF.

Of the RAAF personnel discharged under the Chief of Air Force “Directive on RAAF Fitness Standards” from 9 February 1999, the breakdown between MSBS and DFRDB by Class A, B or C is as follows:
Of the Army personnel discharged under the Chief of Army’s “Directive on Army Individual Readiness Notice No Detriment Provision” from 9 February 1999, the breakdown between MSBS and DFRDB by Class A, B or C is as follows:

<table>
<thead>
<tr>
<th>CLASS</th>
<th>DFRDB</th>
<th>MSBS</th>
</tr>
</thead>
<tbody>
<tr>
<td>A</td>
<td>6</td>
<td>10</td>
</tr>
<tr>
<td>B</td>
<td>14</td>
<td>36</td>
</tr>
<tr>
<td>C</td>
<td>25</td>
<td>96</td>
</tr>
<tr>
<td>Total</td>
<td>45</td>
<td>142</td>
</tr>
</tbody>
</table>

(4) The number of discharged Army and RAAF personnel currently awaiting determination of their invalidity classification is 4.

**Australian Special Air Service Association: Recognition**  
(Question No. 1266)

Mr Edwards asked the Minister Assisting the Minister for Defence, upon notice, on 15 March 2000:

Has he received a submission from the Australian Special Air Service Association for recognition of counter terrorist and special recovery service; if so, (a) when did he receive the submission, (b) what action has he taken with the submission (c) when will he be in a position to respond to the Association in detail and (d) when and to whom did he acknowledge receipt of the submission.

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

(a) The submission was received on 17 January 2000.
(b) The submission was referred to the Department of Defence for action on 18 January 2000.
(c) A response was sent to the Association on 11 April 2000.
(d) The submission was not acknowledged.

**Australian Defence Force: Long Service Leave**  
(Question No. 1272)

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 15 March 2000:

(1) Under what circumstances can the Australian Defence Force refuse personnel permission to take long service leave within a reasonable time of them becoming entitled to it.

(2) How many personnel were estimated to have taken long service leave in (a) 1995-96, (b) 1996-97, (c) 1997-98 and (d) 1998-99.

(3) Is data kept on the number of long service leave applications that are rejected or deferred; if so, what are the details for the most recent reporting year.

(4) Are there Medicare levy taxation implications if personnel are paid their accumulated long service leave entitlements on retirement; if so what are the details.

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

(1) Each application for long service leave is considered on its individual merits, taking into account both the purpose for which leave is sought and Service operational requirements, including the practicality of satisfactory relief arrangements for the period of the absence. In short, long service leave can be refused where the operational requirements of the Service so dictate.

(2) The following estimates are provided from known data:

(a) 235
(b) 2180
(c) 2980
(d) 3180

(3) No. Data is not available in respect of applications which are rejected at, or not processed beyond, unit level.

(4) Defence Force personnel are generally exempt from the levy because they have access to free medical and dental treatment during their service. However, families of members are not similarly covered and therefore members with families are liable to pay half of the standard Medicare levy (0.75%).

When payments are made in lieu of long service leave on separation from the Service, the half rate levy is applied only to those personnel who are liable for the levy deduction from their normal salary in respect of family coverage. No levy deduction is applied to single members.

**Bribery Convention and Other OECD Conventions**

*Question No. 1287*

Mr McClelland asked the Minister for Foreign Affairs, upon notice, on 3 April 2000:

I. Was the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions concluded in Paris on 17 December 1997 under the auspices of OECD?

II. Did Australia sign the convention on 7 December 1998 and ratify it on 18 October 1999.

III. On what dates did other states become parties to the Convention.

IV. On what dates did Australia sign and ratify other conventions concluded under the auspices of OECD.

V. On what occasions, in what circumstances and with what results did his Department last consider accession to conventions concluded under the auspices of OECD.

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

(1) Yes.

(2) Yes.

(3) I attach a status list of parties to the Convention.

(4) Australia is a party to two other conventions concluded under the auspices of the OECD. The conventions and the dates when Australia became a party are:

Convention on the Organisation for Economic Cooperation and Development (OECD), and Supplementary Protocols 1 and 2, done at Paris on 14 December 1960 An Instrument of Accession was deposited for Australia on 7 June 1971.

Agreement on an International Energy Program [under the auspices of the OECD], done at Paris on 18 November 1974 The Agreement established the International Energy Agency Amended on 5 February 1975 and by subsequent Governing Board decisions to May 1979 An Instrument of Accession was deposited for Australia on 17 May 1979.

(5) The last occasion when the Department of Foreign Affairs and Trade considered becoming party to conventions concluded under the auspices of OECD was upon ratifying the Convention on Combating Bribery of Foreign Public Officials in International Business Transactions.

Status List as at 14 April 2000

**OECD CONVENTION ON COMBATING BRIBERY OF FOREIGN PUBLIC OFFICIALS IN INTERNATIONAL BUSINESS TRANSACTIONS**

(Paris, 17 December 1997)

Entry into force generally: 15 February 1999
Entry into force for Australia: 17 December 1999

Text: Australian Treaty Series 1999 No. 21

<table>
<thead>
<tr>
<th>Participant</th>
<th>Signature</th>
<th>Ratification or Acceptance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td></td>
<td>17 Dec 1997</td>
</tr>
</tbody>
</table>
Mr Horne asked the Minister representing the Minister for Communications, Information Technology and the Arts, upon notice, on 3 April 2000:

(1) Was the standard cost to Telstra to service an operation with work completed by Telstra technicians $66 but for the same service provided by a contractor it is now $400.

(2) Was a contract to re-route network cables adjacent to the Pacific Highway construction north of Bulahdelah, NSW, let by Telstra to a private contractor for approximately $3 million.

(3) Did Telstra engineers and technicians cost the work at just over $1 million, including the price of a special trench digging machine.
Mr McGauran—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question, based on advice from Telstra:

Telstra utilizes suitably qualified contractors to undertake various activities on its behalf. Selection of contractors is by a tender process to achieve value for money. Telstra has been unable to identify the circumstances outlined in this question and so is unable to provide further comment.

(2) and (3) Telstra regrets that insufficient information has been provided to allow it to identify the project mentioned, as several large projects have been undertaken north of Bulahdelah.

Of the projects where external contractors have been utilised, none have been over $1M to date, and there is nothing to suggest that Telstra costed the work vastly differently than quoted by contractors concerned.

Where relocations are required by a third party such as a road authority, Telstra asks three qualified contractors to provide quotes to that party, not to Telstra. Telstra inspects the work on completion to ensure that it has been undertaken to required standards.

Toluene
(Question No. 1291)

Mr Andren asked the Minister for Transport and Regional Services, upon notice, on 3 April 2000:

(1) What testing is in place to monitor the content of distillate in light of recent revelations about the use of toluene in leaded and unleaded petrol.

(2) Has his Department received any complaints since the toluene revelations about the content of distillate; if so, what were the complaints.

(3) If someone suspects they have been sold contaminated distillate, what should they do.

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

(1) The oil refiners in Australia monitor and regularly test the fuels, including diesel, that they supply to the market. This is undertaken to ensure the fuels are in compliance with both the Australian Standard and more comprehensive company standards.

(2) No.

(3) People who suspect they have bought contaminated fuel should initially raise their concerns with the service station operator where the fuel was purchased. If they are not satisfied with the response, they should contact the fair trading or consumer affairs office in their State and the oil company whose name is displayed at the service station.

United Nations International Year for the Culture of Peace
(Question No. 1294)

Mr Martin Ferguson asked the Minister for Foreign Affairs, upon notice, on 3 April 2000:

(1) Further to the answer to question No. 1 148 (Hansard, 9 March 2000, page p14109) concerning the International Year for the Culture of Peace, (a) what have been the names of UN international years since 1990, (b) what sum did the Government allocate as special funding for each of those years and (c) is he able to say what sums were spent by Commonwealth Ministers with portfolio responsibilities in those international years.

(2) What is the Government doing to promote the International Decade for a Culture of Peace and Non-Violence for the Children of the World 2001 - 2010, including (a) whether special funding has been allocated to promote the year and (b) what have the Commonwealth Ministers decided to do to promote the year.

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

(i)(a)

1990 International Literacy Year
1991 No designated international year
1992 International Year of Space
1993 International Year of the World's Indigenous People
1994 International Year of Sport and the Olympic Ideal and
   International Year of the Family
1995 United Nations Year for tolerance
1996 International Year for the Eradication of Poverty
1997 No designated international year
1998 International Year of the Ocean
1999 International Year of Older Persons and
   International Year of Thanksgiving
2000 International Year for the Culture of Peace

(b) and (c)
1990 The portfolio with responsibility for the International Literacy Year was the then
   Department of Employment, Education and Training. The Department of Education, Training and
   Youth Affairs has informed my Department that a total of approximately $3.035 million was allocated
   for the year. Of this amount $1.403 million was allocated in 1989/90 and $1.632 million was allocated
   in 1990/91. Actual expenditure for 1989/90 was approximately $1.167 million and for 1990/91 actual
   expenditure was approximately $1.598 million, making a total of approximately $2.765 million.

1994 The portfolio with responsibility for the International Year of the Family was the then
   Department of Human Services and Health. The allocation for the year was $5.263 million. The
   Department of Family and Community Services has advised me that the actual expenditure was $3.652
   million.

1999 The portfolio with responsibility for the International Year of Older Persons was the
   Department of Health and Aged Care. They have informed my Department that $10.9 million was
   allocated for the year and that they expect that $10.9 million will be spent.

Unless listed above, no specific allocation was given for international years. Within the time
available I have been unable to determine the sums spent by Commonwealth Ministers with portfolio
responsibilities for the international years.

(2)(a) The Government has not allocated any special funding to promote the International Decade for
   a Culture of Peace and Non-Violence for the Children of the World, 2001-2010.

(2)(b) As covered by Question number R1148 which Mr Ferguson asked the Minister for Foreign
   Affairs, upon notice, on 15 February 2000, the Australian Government supports the UN Declaration on
   the International Decade for a Culture of Peace and Non-Violence for the Children of the World,
   2001-2010. No decisions have been taken on promotion of the decade.

Given the International Decade for a Culture of Peace and Non-Violence for the Children of the
World, 2001-2010, and the widespread and increasing involvement of children in armed conflicts
currently taking place around the world, the Australian Government considers it a priority to support
international efforts aimed at improving the protection available to children affected by armed conflict.
In particular, Australia has been actively involved in the United Nations working group developing the
Optional Protocol to the Convention on the Rights of the Child (the Convention) on the Involvement of
Children in Armed Conflict. Australia supported the adoption of the text of the Protocol which was
concluded during a negotiating session held from 10 to 21 January 2000.

Roads: Western Sydney Orbital

(Question No. 1297)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon
notice, on 4 April 2000:

(1) What stage have discussions reached between the NSW and Commonwealth Governments on the
    construction of the Western Sydney Orbital to link the national highway north and south of Sydney.
(2) What is the estimated cost of the road.

Mr Anderson—The answer to the honourable member’s question is as follows:
(1) The NSW Government has recently provided me with the draft Environmental Impact Statement (EIS) for the Western Sydney Orbital between Prestons and the M2. The draft EIS is under consideration and is expected to be released for public comment later this year.

(2) The cost estimate in the EIS is $990 million.

**Transport: B-Triple Truck Trials**

*Question No. 1298*

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 4 April 2000:

Has the Government been approached to give approval for the use on a permanent or trial basis of B-triple trucks on highways between Melbourne, Sydney and Brisbane; if so (a) by whom and (b) what is the Government’s decision.

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

(a)&(b)

The Government has not been approached on the issue of B-triple trials on the National Highway System between Melbourne, Sydney and Brisbane.

Although the National Highway system is funded by the Federal Government, the State and Territories own and operate the system and do not need the approval of the Commonwealth to conduct trials or permit a certain class of vehicle to travel on the system. I am advised, however, that the Victorian Government, following a trial some months ago, is currently considering whether to allow B-triples to operate on freeway standard routes, which would include a section of the Hume Highway. I am also advised that the NSW and Queensland Governments currently permit B-triples to operate on designated road train routes, which include sections of the Newell and Cumberland Highways. As these vehicles are operating at the same axle mass limits as other large vehicles their loading impact on the road system should be no different to vehicles already in the national truck fleet.

**New York Consulate: Costs**

*Question No. 1359*

Mrs Crosio asked the Minister for Foreign Affairs, upon notice, on 5 April 2000:

(1) What is the annual cost in Australian dollars to his Department for the provision of consular services in New York, including (a) maintenance and repairs, (b) wages and salaries and (c) catering costs.

(2) How many staff are employed to provide services for the Consul-General.

(3) What are their employee classifications.

(4) What duties are they assigned by their job description.

(5) How many staff are locally engaged.

(6) Is there a transport fleet available for the Consul-General’s usage; if so, (a) what type of vehicles are included in the fleet, (b) how many cars are in the fleet, (c) when were the cars purchased, (d) what are the makes and models of the cars, (e) how many drivers are employed and (f) what was the cost in Australian dollars.

(7) Have additions or renovations to the Consul-General’s office and residences been made since May 1998; if so, (a) what and (b) what was the cost in Australian dollars.

(8) Does the Consul-General hold regular social functions at his principal residence; if so, (a) how many functions did the Consul-General hold in his residence in 1999 and (b) what was the cost in Australian dollars of functions 1998-1999, (c) what proportion of the cost was reimbursed or paid by the Commonwealth, (d) how many staff members are required to assist at the functions and (e) is catering arranged in house or are catering companies hired for these functions.

(9) What sum of the 1999-2000 Budget was allocated to catering expenses for parties given by the Consul-General.

Mr Downer—According to records held by the Department of Foreign Affairs and Trade, the answer to the honourable member’s question is as follows:
(1) The funds provided for the operation of the Consulate-General in New York for financial year 1999-2000 total AUD 8,299,194. We are unable to readily identify specific amounts spent on maintenance and repairs, and catering. However, AUD2,089,872 has been allocated for Locally Engaged Employees salaries. AUD1,826,735 has been allocated for general administrative expenses, and AUD4,382,587 for costs associated with renting and maintaining property.

(2) There are three Australian-based employees in the Consulate-General - the Consul-General, Consul and Vice-Consul- who are involved, to varying degrees, in the provision of consular services. There are 19 Locally Engaged Employees who provide administrative support both for the Consulate-General and the Australian Mission to the United Nations. Two exceptions are the Receptionist and the Personal Assistant listed below who work for the Consulate-General only. There are also two domestic staff who are not Department of Foreign Affairs employees, but who are employed and paid for by the Consul-General.

(3) Locally Engaged Class 11/7
   Locally Engaged Class 9/10
   Locally Engaged Class 9/9
   Locally Engaged Class 9/8
   Locally Engaged Class 9/7
   Locally Engaged Class 9/6
   Locally Engaged Class 9/5
   Locally Engaged Class 9/3
   Locally Engaged Class 8/8
   Locally Engaged Class 7/3
   Locally Engaged Class 7/2
   Locally Engaged Class 6/10
   Locally Engaged Class 6/10
   Locally Engaged Class 6/7
   Locally Engaged Class 6/4
   Locally Engaged Class 6/3
   Locally Engaged Class 5/2
   Locally Engaged Class 5/1
   Locally Engaged Class 4/10
   Executive Level 2 (DFAT Australian-based APS employee)
   APS 6 (DFAT Australian-based employee)

(4) Manager – Finance (LE 11/7)
Manager – Cultural Affairs (LE 9/10)
Manager – Consular/Visits/Passports (LE 9/9)
Manager – Public Affairs (LE 9/8)
Manager – Human Resources (LE 9/7)
Manager – IT Systems (LE 9/6)
Manager – Property (LE 9/5)
Senior Research Officer (LE 9/3)
Consular/Passports/Visits Officer (LE 8/8)
Personal Assistant to the Consul-General (LE 7/3)
Overseas Certifying Officer (LE 7/2)
Manager – Records Management Unit (LE 6/10)
Personnel Officer (LE 6/10)
Cultural and Public Affairs Officer (LE 6/7)
Consular/Passports/Visits Assistant (LE 6/4)
Property Officer (LE 6/3)
Cashier (LE 5/2)
Receptionist (LE 5/1)
Head of Post Driver (LE 4/10)
Consul – Senior Administrative Officer  (Executive Level 2)
Vice-Consul – Consular & Administration Officer (APS 6)

(5) The number of Locally Engaged Staff working at the New York Consulate-General is 19.
(6) The Consulate-General New York does not have a transport fleet. As Head of the Post, the
Consul-General has use of a car and the office shares the use of a van with the Australian Mission to the
United Nations.
(b) One car and shared use of one van.
(c) Both vehicles are leased.
(d) The makes and models are shown at (a) above.
(e) The Consul-General has a driver who performs other duties within the
Consulate. Certain office staff drive the van as and when appropriate.
(f) The annual running cost of the vehicles is AUD 43,135.

(7) There have been no additions or renovations at the Consul-General’s office or residence since
May 1998.
(8) The Consul-General holds representational functions at his residence as part of his role as the
Consul-General New York.
(a) The number of functions hosted by the Consul-General and held in his residence during the
calendar year 1999 was 65.
(b) The cost of the 80 functions held at the residence during the financial year 1998-1999 was AUD
56,196.
(c) The Consul-General’s total representational expenditure was AUD 76,388, of which AUD 42,982
was reimbursed.
(d) There were no employees of the Consulate-General required to assist at these
representational functions, although on some occasions Consulate-General staff have attended.
(e) The Consul-General has two domestic staff who arrange these functions as part of their duties to
prepare and serve food. If required, casual staff are employed to assist in these functions, the cost of
whom is covered by the budget allocation for domestic staff.

(9) No amount is specifically allocated for catering expenses for parties given by the Consul-
General. The position carries a representational allowance of AUD 46,030 for the financial year 1999-
2000, the same amount as in 1998-1999. This allowance is for use in promoting Australia’s interest in
the consular district covered by New York. By choosing to use the official residence for this purpose
rather than external venues, considerable cost savings have been effected.

Royal Australian Air Force: Unburnt Fuel

(Mr Horne) asked the Minister for Defence, upon notice, on 5 April 2000:
(1) Has his attention been drawn to concerns of residents adjacent to RAAF Base Williamtown and
the Salt Ash Weapons Range that unburnt fuel is being released into the atmosphere by aircraft using
those facilities.
(2) Can assurances be given to those residents that there is no risk of ill effects through exposure to
that unburnt fuel; if not, will he order a study as a matter of urgency to determine what happens to the
unburnt fuel and what effect it has.

Mr Moore— The answer to the honourable member’s question is as follows:
(1) Yes.

(2) Defence is undertaking a comprehensive environmental management plan for RAAF Williamtown that will identify and address all relevant issues. This plan is intended to include monitoring of air quality issues associated with aircraft operations. A realistic comparison of the air emissions from RAAF aircraft with other possible sources of air emission will be made.

Veteran’s Entitlements: Report
(Question No. 1390)

Mr Danby asked the Minister for Veterans’ Affairs, upon notice, on 6 April 2000:

(1) Has the report on veterans’ entitlements of the independent review into naval personnel who served in South East Asia 1955-75 been passed to his department for implementation.

(2) What is the schedule for implementation and when will the recommendations be implemented.

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

(1) and (2) The report of the Review of Service Entitlement Anomalies in Respect of South-East Asian Service 1955-75 was handed to me on 9 February 2000 and is currently being considered by the Government. I expect to be able to announce the Government’s response by mid-year.

Australian Defence Force: Recruitment Costs
(Question No. 1413)

Mr Price asked the Minister Assisting the Minister for Defence, upon notice, on 10 april 2000:

What is the cost of recruiting and training a basic level entrant into each of the three Services.

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

The cost of recruiting and providing initial recruit training, for each of the Services, is:

Navy:

<table>
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<th>Recruit Training</th>
<th>Total</th>
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| Army:

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| Air Force:

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<td>Airman Entry</td>
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<td>$10,137</td>
<td>$24,235</td>
</tr>
</tbody>
</table>

Notes

(1) The cost calculations have been made by dividing the total cost by the number of candidates recruited or trained respectively. The costs of recruiting and providing recruit training include a substantial fixed costs, which do not vary according to the number of people recruited or trained. Accordingly, the per capita cost varies considerably from year to year according to the number of people being recruited and trained. Caution should be exercised when drawing any conclusions from the costs shown.

(2) The Recruit Training cost is the cost to provide basic induction training and does not include the cost of providing Initial Employment Training necessary for a member to perform their specific occupation. The duration, content and therefore the cost of Initial Employment Training, varies widely according to occupation.
South African Workers: Visas  
(Question No. 1422)  
Mr Beazley asked the Minister for Immigration and Multicultural Affairs, upon notice, on 11 April 2000:  
(1) Were South African workers recently granted permission to enter Australia to construct a fertiliser plant in Kwinana, WA, in a project associated with Interpact Holdings.  
(2) How many visas and what type of visas were issued in connection with this project.  
(3) Which approved business sponsor nominated these positions to be filled by overseas personnel.  
(4) Were the vacancies designated key or non-key activities.  
(5) What details did the sponsor provide about the benefits to Australia from employing overseas personnel.  
(6) Was labour market testing carried out to determine whether local workers could carry out the work.  
Mr Ruddock—The answer to the honourable member’s question is as follows:  
(1) South African workers were recently granted permission to enter Australia to construct a fertiliser blending plant in Kwinana, WA.  
(2) Fourteen temporary business (long stay) visas (subclass 457) were granted to South African construction workers to work for Interpact Holdings in the construction of the fertiliser plant.  
(3) The South African construction workers were sponsored by Interpact Holdings. The company was approved as a standard business sponsor.  
(4) The vacancies were determined to be for key activities. A key activity is one that is:  
(a) essential to the business operations of the employer; and  
(b) requires:  
(i) specialist or professional skills; or  
(ii) specialised knowledge of the business operations of the employer.  
(5) The sponsor provided evidence that the construction of the plant would provide employment for Australians who would be involved, amongst other things, in the construction of a storm water system, foundations and footings; the installation of services; the construction of an adjacent office block; landscaping of the grounds and in the ongoing operation of the plant. The sponsor also provided evidence of a satisfactory record of training Australian residents in their business.  
(6) Under the Migration Regulations, labour market testing is not required where the vacancies have been assessed as key activities.  

Business Long Stay Visas  
(Question No. 1423)  
Mr Beazley asked the Minister for Immigration and Multicultural Affairs, upon notice, on 11 April 2000:  
(1) How many business long stay visas (subclass 457) have been issued to enable overseas personnel to be employed in the steel fabrication and construction industries in Australia (a) since March 1999 and (b) during 1997-98 and 1998-99.  
(2) What vacancies have been filled by workers entering WA on these visas.  
(3) Which countries were the main sources of persons entering Australia on business long stay visas (subclass 457) in (a) 1997-98 and (b) 1998-99.  
(4) Which industries were the most involved in applications for these types of visas.  
Mr Ruddock—The answer to the honourable member’s question is as follows:  
(1) In 1997-98, there were 23 nomination applications lodged by Australian employers seeking to employ overseas structural steel and construction workers under the temporary business (long stay) arrangements (visa subclass 457). These nominations included 16 steel fixers, four structural steel
erectors and three construction assistants. Due to systems difficulties, data on nominations lodged in 1998-99 and since March 1999 is not available.

Incoming passenger data indicates that in 1997-98, 20 people arrived in Australia on subclass 457 visas indicating occupations in the metal and steel construction industries, including nine structural steel and welding tradespersons and eight structural steel and construction workers. In 1998-99, 13 people arrived to work within the same occupational categories, including four structural steel tradespersons and six construction tradespersons.

(2) Of the 20 people arriving to work in this industry in 1997-98, seven (all structural steel tradespersons) specified that their state of intended residence was Western Australia. In 1998-99, two of the 13 people being employed within the steel fabrication and construction industry stated that their state of intended state of residence was Western Australia.

The incoming passenger data for holders of subclass 457 visas (all occupations) for 1998-99 indicates that 45% intended to reside in New South Wales; 24% in Victoria; 13% in Western Australia; 12% in Queensland; 2% in South Australia; 1.6% in the Northern Territory; 1.4% in the Australian Capital Territory and 0.5% in Tasmania.

(3) The main source countries of persons entering Australia on subclass 457 visas in 1997-98 were the United Kingdom (23%), USA (12%), Japan (8%), Peoples Republic of China (7%) and South Africa (6%). In 1998-99, the main source countries were the United Kingdom (23%), USA (10%), Japan (8%), South Africa (8%), the Peoples Republic of China (6%) and India (6%).

(4) The industries most involved in the sponsorship of employees from overseas in 1998-99 were information technology and telecommunications (20%), business, professional, property and scientific and technical services (17%), manufacturing (12%) and hospitality and tourism (8%).

Superannuation: Funds Investment

(Question No. 1424)

Mr Martin Ferguson asked the Treasurer, upon notice, on 11 April 2000:

Does the Government support the view advanced by a number of delegates to the Growing Victoria Summit, especially mayors from regional Victoria, that the Government should mandate superannuation funds to invest a certain proportion of their funds in regional and country areas.

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

The Government does not direct superannuation fund trustees to invest in particular projects, industries or regions.

Trustees of superannuation funds are required to formulate appropriate investment strategies and can be expected to consider a wide range of investments in the interests of their members.

Heavily Indebted Poor Countries: Debt Cancellation

(Question No. 1425)

Mr Albanese asked the Minister for Foreign Affairs, upon notice, on 12 April 2000:

(1) Will the Government follow the example of the United States, Great Britain, France and Canada and cancel the debt owed to it by three Heavily Indebted Poor Countries, Nicaragua, Ethiopia, and Vietnam.

(2) Will the Government use its position on the boards of the International Monetary Fund (IMF) and the World Bank to ensure that the IMF and World Bank carry out transparent consultations with indebted governments, civil society, the private sector and external donors to develop poverty reduction strategies.

(3) Will the Government work to ensure that the new Poverty Reduction Strategy Papers will be transparent in the trade-offs between policy choices and the IMF and the World Bank fully discuss these policies with civil society representatives of the indebted countries.

(4) Will the Government actively work to ensure that the IMF and the World Bank are held accountable for their programs by measuring their success in terms of achievements in poverty reduction.

(5) Will the Government seek to establish a mechanism whereby international arbitrators are appointed to oversee negotiations between each heavily indebted nation and its creditors.

Mr Downer—The answer to the honourable member’s question is as follows:
On 21 April, the Treasurer and I announced that Australia will provide 100 per cent bilateral debt forgiveness to countries which qualify for debt relief under the enhanced Heavily Indebted Poor Countries (HIPC) Initiative coordinated by the IMF and World Bank. Of the 40 countries that have been identified for possible debt relief under the enhanced HIPC Initiative, there are two – Nicaragua and Ethiopia – which have debts to Australia and are expected to qualify for relief. When Nicaragua and Ethiopia receive debt relief under the HIPC Initiative, all of the debt they owe to the Australian Government will be forgiven. Vietnam is currently not eligible for debt relief under the enhanced HIPC Initiative as its debt has been assessed by the World Bank and the IMF as sustainable. However, Vietnam’s debt levels will continue to be monitored by the Bank and the Fund.

A key element of the enhanced HIPC Initiative (approved by Ministers at the September 1999 Annual Meetings) is that countries, in order to qualify for debt relief, are required to put in place Poverty Reduction Strategy Papers (PRSPs).

PRSPs are country-owned strategies, identifying priorities for public action that will have the greatest impact on poverty and specifying monitorable indicators for success/failure. They will be developed in a participatory fashion, taking into account the views of Governments, the donor community, civil society, and specifically the poor themselves.

The Executive Boards of the IMF and the World Bank, on which Australia is represented, must broadly endorse a country’s PRSP before approving debt relief for it under the HIPC Initiative (during a transition period, interim PRSPs will be acceptable). Ultimately, PRSPs will form the basis for all World Bank and IMF concessional assistance to low-income countries.

Poverty Reduction Strategy Papers aim to support a comprehensive, country-led effort to help sharpen the poverty focus and effectiveness of development strategies. The strategies focus on policy actions to increase growth and reduce poverty, all within a coherent macroeconomic framework. PRSPs are expected to be comprehensive, recognising the nature of the causes of poverty and formulating strategies to alleviate it.

Civil society is intended to play an integral part in the development of PRSPs. In order to ensure transparency and to fully inform and engage civil society in all stages of the PRSP process, the Bank has established a special website for NGOs and other civil society groups which will include notes from consultations with NGOs, and news from PRSP countries.

Australia, together with all other shareholders, is represented on the Executive Boards of the World Bank and the IMF. These boards monitor the operations and management of the institutions and approve and assess individual programs and projects - including those focused on poverty reduction in the poorest countries (eg. the IMF’s Poverty Reduction and Growth Facility and the World Bank’s International Development Association). Furthermore, substantial ongoing engagement and review of the World Bank is provided through periodic replenishments of the Bank’s concessional lending arm.

The Government will continue to assess how effectively the IMF and World Bank meet their stated objectives.

The IMF was established to promote international monetary cooperation, exchange stability, and orderly exchange arrangements; to foster economic growth and high levels of employment; and to provide temporary financial assistance to countries under adequate safeguards to help ease balance of payments adjustment. The effectiveness of the IMF needs to be assessed on the basis of its meeting these goals.

The World Bank has a mission to reduce poverty through sustainable development and should be assessed on the basis of this objective taking into account the long-term nature of the undertaking.

In the future, should the Government decide that changes to the enhanced HIPC Initiative are warranted, several mechanisms are in place which allow Australia to participate in reviews of the enhanced HIPC Initiative including through our representatives on the World Bank and IMF Boards and the World Bank/IMF Annual and ‘Spring’ Meetings.

The World Bank and IMF Executive Boards regularly discuss HIPC progress reports. Australia provides comments through the respective Executive Directors and the Australian constituency retains a vote on all Board matters.
Ministers are given the opportunity to discuss the enhanced HIPC Initiative twice a year at the World Bank/IMF Annual and Spring Meetings. These meetings provide a venue to put Australia’s views forward. At the 1999 Annual Meetings, for instance, Ministers decided to enhance the original HIPC Initiative to provide deeper, faster and wider debt relief for HIPC countries.

Minister for Immigration and Multicultural Affairs: Function Representatives
(Question No. 1428)

Mr Danby asked the Minister for Immigration and Multicultural Affairs, upon notice, on 12 April 2000:

Further to the answer to question No. 1211 (Hansard, 6 April 2000, page 14919), was he represented at citizenship ceremonies in the City of Port Phillip or the City of Glen Eira, Vic., since the federal election on 3 October 1998 if so, were his representatives attending as official government representatives or in some other capacity.

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

There is no record of my having been invited to, or represented at, any of the Port Phillip City Council Citizenship Ceremonies since the federal election on 3 October 1998.

The following Federal and State Members of Parliament have represented me at the City of Glen Eira Council citizenship ceremonies since 3 October 1998 on the dates indicated:

- 27 January 1999 The Hon Dr David Kemp, MP
- 15 May 1999 Mrs Inga Peulich, MLA
- 14 July 1999 Mrs Inga Peulich, MLA
- 18 August 1999 The Hon Dr John Ross, MLC
- 6 October 1999 Mrs Inga Peulich, MLA
- 28 March 2000 The Hon Andrea Coote, MLC

Parrish Meats Supplies Pty Ltd: Liquidation
(Question No. 1436)

Mr Hollis asked the Treasurer, upon notice, on 13 April 2000:

(1) Has his attention been drawn to the placement in liquidation in August 1999 of Parrish Meats Supplies Pty Ltd at Yallah, NSW.

(2) Does the Australian Taxation Office (ATO) hold $43 000 from Parrish Meats Supplies Pty Ltd; if so, (a) for what is the sum held and (b) when was it received.

(3) Do employees have a preference of payment ahead of the ATO under the Corporations Act; if so, when was the change in preference included in the Act.

(4) Is it the practice of the ATO to require an official liquidator to satisfy the Commissioner that employees are entitled to receive the payments held by the ATO in insolvency cases and that Court Orders are further required to secure payments.

(5) Will he direct the ATO to return the $43 000 payment to the official liquidator of Parrish Meats Supplies Pty Ltd; if not, why not.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:

(1) Prior to the honourable member’s question, no, I was not aware that Parrish Meats Supplies Pty Ltd had been placed in liquidation.

(2) Unfortunately, the Commissioner of Taxation (the Commissioner) is unable to provide me with any specific details of the case due to the secrecy provisions of the tax law.

(3) Yes, employees have a preference of payment ahead of the ATO under the Corporations Law. The preferential unsecured creditor status of the ATO was removed in 1993.

(4) Yes. As a matter of administrative practice the Commissioner will not pay any money to a liquidator unless and until ordered to do so by the Court. The Commissioner explained that this was necessary in order to secure the rights of the ATO to seek payments in full in the event of legal action being taken against directors or other third parties.
(5) As you are aware, Parliament has placed the administration of Australia’s taxation laws with the Commissioner and neither the Treasurer nor any other Minister may intervene in the proper exercise of his statutory powers.

However, because the Government is very concerned about workers that lose their entitlements in situations of employer insolvency, it recently announced the implementation of the Employee Entitlement Support Scheme (EESS) which will provide employees with safety net protection for their entitlements. This can be viewed on the internet under www.dewrsb.gov.au.

**Parrish Meats Supplies Pty Ltd: Liquidation**

*(Question No. 1438)*

Mr Hollis asked the Minister for Employment Workplace Relations and Small Business, upon notice, on 13 April 2000:

1. Has his attention been drawn to the placement in liquidation in August 1999 of Parrish Meats Supplies Pty Ltd at Yallah, NSW.

2. Did employees of Parrish Meats Supplies Pty Ltd and South Coast Bulk Carriers Pty Ltd receive correspondence from his Department’s Assistance Monitoring Unit.

3. What traineeships or apprenticeships did his Department fund and what was the total sum of funding.

4. By which corporate entity was the funding received and when was it provided.

5. Is his Department satisfied that the funding provided was used according to the criteria for the funding.

6. Is funding under the New Apprenticeships Program dedicated to only new labour market entrants; if so, what is the definition of new labour market entrants.

7. Is he satisfied with the issues raised in this matter; if not, will he ensure a proper investigation is undertaken by his Department; if so, when.

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

1. Yes. I am aware of the placement in liquidation in August 1999 of Parrish Meats Supplies Pty Ltd at Yallah, NSW.

2. Some employees of Parrish Meats Supplies Pty Ltd received correspondence from my Department’s Employment Assistance Monitoring Unit. No survey forms were sent to employees of South Coast Bulk Carriers Pty Ltd. The survey is part of the regular surveys undertaken by my Department of people who have participated in Commonwealth employment programmes. The information obtained through these surveys is important in evaluating the success of these programmes.

3. My Department did not fund any traineeships or apprenticeships with Parrish Meats Supplies Pty Ltd or South Coast Bulk Carriers Pty Ltd. The employees of Parrish Meats Supplies were registered under the New Apprenticeship Employer Incentives Programme. This program is funded by the Department of Education, Training and Youth Affairs.

4. Given that no funding was provided by my Department, this part of the question is not applicable.

5. See the answer to part (4).

6. As noted above the responsibility for the administration and delivery of the New Apprenticeship Program now rests with the Department of Education, Training and Youth Affairs and questions about this program should be taken up with the Minister for Education, Training and Youth Affairs.

7. No issues have been raised in relation to this matter that would require any action by my Department.

**Airservices Australia: Workplace Agreements**

*(Question No. 1440)*

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 13 April 2000:

1. Have certain employees, including senior executives of Airservices Australia, signed a workplace agreement with their employer, which rewards them for implementation of (a) The Australian
Advanced Air Traffic System (TAAATS) and (b) the Precision Radar Monitor (PRM) System; if so, will this hinder the implementation of the Long Term Operating Plan.

(2) Has Airservices Australia provided evidence to the PRM System Commission of Inquiry; if so, did Airservices Australia disclose to the Commission the existence of any workplace agreement between any of its employees and their employer, for the implementation of TAAATS or the PRM System.

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

(1) Airservices Australia advise the following:

There are no individual workplace agreements (AWAs) with employees which specifically provide a reward linked to implementation of The Australian Advanced Air Traffic System (TAAATS) or Precision Radar Monitor (PRM).

The 1998 Corporate Certified Agreement does provide for an additional leave provision associated with TAAATS training by air traffic controllers in return for extra hours worked.

The implementation of TAAATS had a minor impact on the LTOP at Sydney over the period from the end of July 1999 to mid October 1999.

The Sydney Airport Community Forum was advised of possible LTOP implications at the time.

(2) Airservices Australia advise that it provided evidence to the PRM Inquiry and that there are no individual workplace agreements of the type specified by the honourable member, therefore disclosure was not an issue.

Refugees: Kosovo
(Question No. 1446)

Mr Danby asked the Minister for Immigration and Multicultural Affairs, upon notice, on 13 April 2000:

(1) How many of the 180 Kosovars refusing to return home come from southern Serbia.

(2) How many families are being split by issuing protection or temporary visas.

(3) Are there situations where one brother is allowed to apply for a protection visa and another brother is forced to go home to Kosovo; if so, why does he allow this to happen.

(4) Is he able to say whether the Department of Foreign Affairs and Trade website states that Kosovo is too dangerous for Australians to visit; if so, why is he forcing Kosovars on to a plane.

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

(1) Of the 182 Kosovars who had no lawful basis to remain in Australia as at 10 April 2000, there were a number who were from southern Serbia. These were as follows:

. 12 families (37 people) from Presheva;
. 5 families (20 people) from Bujanoc; and
. 2 families (3 people) from Podujeve.

The honourable member may be aware that 3966 Kosovar evacuees were given temporary safe haven in Australia from early May 1999 and by the end of October last year around 3500 of them had voluntarily returned to Kosovo. At that time I wrote to the remaining Kosovars and asked them to write to me giving the reasons why they should be allowed further stay in Australia.

The honourable member should also be aware that I personally considered all relevant information put forward and the individual circumstances of each case taking account of advice from the United Nations High Commissioner for Refugees (UNHCR) on categories of persons who continued to need international protection. All those where I was aware that their individual circumstances were likely to cause serious difficulties I have allowed to apply for a protection visa. In fact, 28 families (121 people) have had the legislative bar lifted and my Department has received their applications.

I have also considered the UNHCR’s advice on categories of persons who are deserving of continued care and attention because of medical, trauma or other strong reasons that would place them in situations of social vulnerability. UNHCR advised that individuals in those categories would require humanitarian consideration, account being taken of factors such as the general security situation, employment limitations and the availability of social assistance. Accordingly, I have further extended the temporary stay of 39 families (170 people) who are not yet able to return.
(2) There are no nuclear families being split by issuing protection or temporary visas. One extended family comprising a number of nuclear families that had each submitted different claims to be allowed further stay received different outcomes.

(3) There is a situation where brothers have submitted different claims and have accordingly achieved different outcomes.

(4) The website of the Department of Foreign Affairs and Trade states:

“travel to all parts of Kosovo and in the Presovo area of southern Serbia near the administrative border of Serbia and Kosovo, should be avoided.”

It goes on to say that there have been growing numbers of protest meetings and political demonstrations and that some services are still not operating normally.

The decision to require Kosovars to return to Kosovo was only made after considering UNHCR advice that included the statement that:

“As a priority conclusion, UNHCR is of the view that most of the ethnic Albanians from Kosovo no longer have protection needs. Yugoslav forces have withdrawn, an international military presence (KFOR) has entered and a UN interim administration mission (UNMIK) was established as of the middle of 1999. The systematic persecution for ethnic Albanians in Kosovo, reported by the UNHCR and other international actors prior to these ameliorative measures, no longer prevails...”

Ministers for Foreign Affairs and Trade: Domestic Violence Legislation Administration

(Question Nos 1452 and 1457)

Ms O’Byrne asked the Minister for Trade and the Minister for Foreign Affairs, upon notice, on 13 April 2000:

(1) Does the Minister administer legislation which relates to domestic violence.

(2) If so, what is the definition applied by the Minister’s Department to the term "domestic violence".

(3) Is the definition sourced from a policy document or statute.

(4) Is there discretion flexibility available to be exercised by the Department when applying the definition to individual circumstances; if so, are there internal departmental manuals outlining discretionary options.

Mr Vaile—As indicated above, the honourable member has asked identical questions of both Ministers. The following answer is provided on behalf of both Ministers:

Neither the Minister for Trade nor the Minister for Foreign Affairs administers any legislation which relates directly to domestic violence.

Minister for Immigration and Multicultural Affairs: Domestic Violence Legislation Administration

(Question No. 1464)

Ms O’Byrne asked the Minister for Immigration and Multicultural Affairs, upon notice, on 13 April 2000:

(1) Does the Minister administer legislation which relates to domestic violence.

(2) If so, what is the definition applied by the Minister’s Department to the term “domestic violence”.

(3) Is the definition sourced from a policy document or statute.

(4) Is there discretionary flexibility available to be exercised by the Department when applying the definition to individual circumstances; if so, are there internal departmental manuals outlining discretionary options.

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

(1) Yes, the Department does administer legislation which relates to domestic violence.

(2) The term domestic violence that is relevant to the Department’s domestic violence provision, is defined in the Migration Regulations at regulation 1.23(2)(b). This states that:
“a reference to relevant domestic violence is a reference to violence against the alleged victim or his or her property that causes the alleged victim, or a member of the alleged victim’s family, to fear for, or to be apprehensive about, the alleged victim’s personal well-being or safety.”

(3) The definition is sourced from statute, specifically: Migration Regulations 1.23(2)(b).

(4) Under the Migration Regulations claims of domestic violence must be evidenced by:
   . certain court orders, as prescribed in the regulations;
   . a statutory declaration from the applicant and statutory declarations from two ‘competent persons’ (ie: certain health and welfare professionals as defined at regulation 1.21 (1)); or
   . a statutory declaration from the applicant and a copy of a record kept by the police service in the state or territory of the assault on the victim committed by the perpetrator.

There is no discretionary flexibility available to be exercised by the Department when applying the definition to individual circumstances.

Minister for Agriculture, Fisheries and Forestry: Domestic Violence Legislation
Administration
(Question No. 1465)

Ms O’Byrne asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 13 April 2000.

(1) Does the Minister administer legislation which relates to domestic violence.
(2) If so, what is the definition applied by the Minister’s Department to the term “domestic violence”.
(3) Is the definition sourced from a policy document or statute.
(4) Is there discretionary flexibility available to be exercised by the Department when applying the definition to individual circumstances; if so are there internal departmental manuals outlining discretionary options.

Mr Truss—The answer to the honourable member’s question is as follows:
(1) No
(2) N/A
(3) N/A
(4) N/A

Minister for Veterans’ Affairs: Domestic Violence Legislation Administration
(Question No. 1466)

Ms O’Byrne asked the Minister for Veterans’ Affairs, upon notice, on 13 April 2000:

(1) Does the Minister administer legislation which relates to domestic violence.
(2) If so, what is the definition applied by the Minister’s Department to the term “domestic violence”.
(3) Is the definition sourced from a policy document or statute.
(4) Is there discretionary flexibility available to be exercised by the Department when applying the definition to individual circumstances; if so, are there internal departmental manuals outlining discretionary options.

Mr Bruce Scott—The answer to the honourable member’s question is as follows:
(1) Yes. The Veterans Entitlements (Special Assistance) Regulations 1999 (Statutory Rules 1999 No. 319) provides for claims for crisis payments. Regulation 6 of these regulations provides for the eligibility of persons to receive crisis payment. Paragraph 6(1)(a) of these regulations states that a person is eligible for a crisis payment if “the person has left, or cannot return to, his or her home, because of extreme circumstance”. The Explanatory Note to subregulation 6(1) of these regulations states that “Examples of extreme circumstances as a result of which a person would be eligible for crisis payment are the person’s house being burnt down, or the person subjected to domestic or family violence”.

(2) and (3) The definitions of domestic violence, drawn from the Centrelink publication “Working to Assist People Experiencing Violence” include:
maltreatment, exploitation, wife abuse, verbal abuse, partner abuse, elder abuse, child abuse, neglect, sexual assault, emotional abuse, assault, financial coercion, domestic violence, psychological abuse and social abuse.

(4) Yes; Departmental instruction C36/99, which provides internal policy guidelines on eligibility requirements for crises payments.