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### CHAMBER HANSARD

**Tuesday, 30 May**

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Mr SPEAKER (Mr Neil Andrew) took the chair at 2.00 p.m., and read prayers.

QUESTIONS WITHOUT NOTICE

Fiji: Political Crisis

Mr BRERETON (2.01 p.m.)—My question is directed to the Minister for Foreign Affairs. What advice is available from our High Commission in Suva concerning the intentions of Fiji’s new military regime? Minister, what is your response to the news that Fiji’s new military ruler has revoked the 1997 constitution? Which, if any, Fijian leaders have committed themselves to the restoration of the country’s democratically elected government? And when will Australia impose sanctions?

Mr DOWNER—I thank the honourable member for his question and for canvassing a number of issues here. As the honourable member knows, the Fiji military commander, Commodore Frank Bainimarama, last night declared martial law and we understand, although we are not entirely sure, that President Mara has stepped aside to allow martial law to be imposed. We are not quite certain of that, but that would appear to be the case. We understand that President Ratu Mara is safe and on a patrol boat which is sailing off the coast of Fiji.

In answer to one part of the honourable member’s question, officials from the Australian High Commission in Suva met this morning with the commander of the Fiji military force, Commodore Bainimarama, and the official who met with the chief stressed this government’s strong view that there must be a swift return to democratic rule and that Australia and the international community were watching developments closely. Bainimarama noted the comments. He said he well understood this, and he disclaimed any interest in participating in government and did say that he would move to appoint a civilian interim government to work towards either a new or an amended constitution and possibly fresh elections.

Commodore Bainimarama has initiated contact, I understand, with the Speight group and would appear to be taking a firm line with them, demanding the surrender of weapons and accepting no conditions in return, although there is a possibility that he may be prepared to grant amnesty to Speight and to the six original colleagues who took the Prime Minister and other ministers hostage. The situation at the parliamentary compound so far appears to remain unchanged, although the security has been tightened and there are reports of Speight’s supporters trickling away, and the army is apparently optimistic about an end to the stand-off. This military takeover graphically underlines the depth of the crisis created by the criminal actions of Speight and his group. We do take some, albeit very limited, encouragement from reports that the military has assumed control purely for the purpose of restoring law and order and that it does plan to return the country to civilian rule as soon as possible.

In answer to another part of the honourable member’s question, both we and the New Zealand government think that the wise thing to do at the moment is to withhold final judgments—and, importantly, I urge the honourable member to reflect on this—until the hostage situation is resolved. The Prime Minister, a number of ministers and others are still being held at gunpoint, and I think the international community needs to take that factor very significantly into consideration. I can only say that. Obviously, the honourable member knows only too well that this government is prepared to take strong measures, and we outlined a list of them yesterday. But I do think it is important that we focus on one thing at a time, and the thing to focus on at the moment is to try to get those hostages released, including, after all, the Prime Minister of the country. Nevertheless, what has happened remains a fundamental denial of democratic values. The elected government has, it would appear, been forced from office initially by an act of terrorism. Let me say this: the inclusion of Speight and his supporters in any government in Fiji would be intolerable to Australia. Australia has outlined measures, as I said yesterday, and, as I also explained yesterday, we would put those in place unless constitutional government is restored.
Let me make one final point, because the honourable member argues that we should also have imposed tougher economic sanctions. This of course at the end of the day is a matter of judgment. It is not our judgment, and I am sure it is not the judgment of the coalition parties or the New Zealand parliament and other governments around the world, that we should destroy the Fijian economy. That is not our judgment. I think that would be a profoundly unwise thing to do because, quite apart from the immense harm it would do to all Fijians, it would also suck down the economies of other neighbouring countries like Tuvalu, Kiribati, Tonga and Samoa, and I do not think Australia would be well regarded around the world if we were to do that.

Mr Crean—Are you against sanctions?

Mr DOWNER—The honourable member interjects, ‘Are you against sanctions?’ How childish can you get? We announced yesterday a whole list of measures, a whole list of sanctions. And what have you been doing for the last 24 hours? Read the newspapers, because even you might understand. This is not an issue on which I would suggest the Australian Labor Party make party political points. It is too important an issue. It is an issue that gets to the heart of the South Pacific’s interests, including our national interest, and it is not a game. I suggest to the Deputy Leader of the Opposition in particular that he rise above game playing, even for a minute.

Agriculture: United States Subsidies

Mr CAMERON THOMPSON (2.08 p.m.)—My question is to the Minister for Agriculture, Fisheries and Forestry. Minister, what is the government’s response to the decision of the United States to increase its subsidies to US farmers? What impact will this decision have on Australian farmers?

Mr TRUSS—I thank the member for Blair for his question. As one who represents many farmers, he would be, like other members of the government, horrified by the announcement that the US Congress have agreed to a new level of subsidies for American farmers totalling $US15.3 billion—that is around $A28 billion. That is a $28 billion subsidy program approved by the United States in an endeavour to further insulate their farmers from the realities of the world market. Once again, it demonstrates the double standards that the United States display when dealing with trade issues. Whilst they are very bold and aggressive in giving advice to the rest of the world, when it comes to their own marketplace they do very little and in fact increase their levels of subsidies. It is of some concern that this new level of congressional support, if signed off by the President, will in fact result in there being actually a higher level of subsidies available to US farmers now than when the original GATT agreement was signed by those opposite a few years ago. The US government lawyers have found ways to get around the system and to manipulate the arrangements so that they can continue to supply very high levels of support.

There are many farmers in Australia who are, naturally, concerned. When they face levels of difficulty and they see people in other parts of the world receiving higher levels of subsidy, they may sometimes ask, ‘Why can’t Australia match those levels of subsidies?’ There are a couple of reasons why we cannot. It is obvious, firstly, that Australian taxpayers and the Australian Treasury can never hope to win a subsidy battle with the mighty treasuries of Europe and the United States. But there is another underlying problem, and that is that the GATT agreement signed by Labor specifically gives advantages to US farmers over Australian farmers. The agreement gives a much higher level of permitted support to US farmers than to Australian farmers. The agreement gives a maximum aggregate level of support that is allowed to US farmers under the agreement signed by Labor is the equivalent of $15,227 per farmer—that is allowed under the GATT agreement—whereas, under that same agreement, the maximum level of subsidy that Australia could provide is $4,000. So, under this world trade agreement, US farmers are actually entitled, without us being able to take any action, to subsidy levels four times those that can be provided in Australia.
We will be looking very closely at these latest US measures to check that they do fit within the WTO rules; that what is being done now is legitimate. If they do not, we will take them to the WTO, as we did in the lamb case. We will be mounting solid action if any of these actions are perceived to be outside of the measures that the Labor Party signed off on when the GATT agreement came into being. In the longer term, the Minister for Trade is working hard to get us a better trade deal for the future, but Australian farmers can look well and truly back to the days of Labor to see the level of subsidies that they signed off on to support US farmers.

Goods and Services Tax: Prime Minister’s Letter

Mr BEAZLEY (2.12 p.m.)—My question is to the Prime Minister. Prime Minister, will you inform the House precisely when you agreed to the inclusion of a personally signed letter from you in the information that is going to be sent to all Australian electors by the Taxation Office? Was it the tax office which suggested this covering letter, or did the proposal come from the Ministerial Council on Government Communications?

Mr HOWARD—The procedures for dealing with these matters are well known. I have not involved myself in all of the minutiae of these arrangements, but they have been carried out in a totally aboveboard fashion. Of course, I have agreed to send a personally signed letter.

Mr Crean—When?

Mr HOWARD—I agreed at the appropriate time to sign a letter. I have on all occasions behaved appropriately, and appropriate procedures have been followed. May I say, as I am on my feet, that this question passes strange from a party that when it was in office indulged itself in an almost compulsive way in advertising a government policy. Any tiny, little measure from the Labor Party merited a bit of taxpayer funded advertising. You would have thought on occasions that money grew on trees, when it came to the Australian Labor Party.

Indeed, I came across an advertisement that appeared in the Sunday Telegraph on 3 September 1995, when time was fast running out for the Keating government. It was advertising the new arrangement and it quite literally invited the Australian public to believe that the superannuation arrangement actually represented money growing on trees. That was in fact the kind of advertisement that was represented all around the country. I say to the Leader of the Opposition that the right procedures have been followed. It is very necessary, and is what we have been constantly exhorted to do. As recently as 24 January 2000, the Deputy Leader of the Opposition was interviewed on 3AW and said this:

All right. Look, the Prime Minister and the Treasurer—people want answers. They want to know how this tax is going to apply.

He said that people want answers—and he keeps nodding his head.

Mr Beazley—Mr Speaker, the Prime Minister was asked a very specific question.

Mr SPEAKER—The Leader of the Opposition has not been heard because he has not as yet been recognised.

Mr Beazley—I think I am unmistakable, Mr Speaker; nevertheless—

Mr SPEAKER—I recognise the Leader of the Opposition on a point of order.

Mr Beazley—I rise on a point of order. The Prime Minister was asked a very specific question about his involvement in the decision making process on the advertising campaign—the unprecedented advertising campaign, as far as—

Mr SPEAKER—The Leader of the Opposition will resume his seat. The Prime Minister was asked a question, as the Leader of the Opposition said, about an advertising campaign; and all that I had heard him stating was about an advertising campaign. The Prime Minister has the call.

Mr HOWARD—I have, and I have finished my answer.

Goods and Services Tax: Pensions

Mr BARTLETT (2.17 p.m.)—My question is addressed to the Treasurer. Treasurer, would you advise the House of the ways in which pensioners will benefit from the new tax system?
Mr COSTELLO—I thank the honourable member for Macquarie for his question. He would know, as most members of the House would know, that there are special benefits for pensioners, arising out of the new tax system. On 1 July this year, pensions will increase by four per cent. Normally, a pension is indexed in March and September of each year but on 1 July there is a four per cent increase in pensions, and then we go to the indexation in September and in the following March. As a result of the changes the government is putting in place, there is a 2½ per cent increase in the income and assets test-free area for pensioners. Pensioners are also able to keep an extra 10c of their pension for every dollar of private income that they earn. Under the Labor Party you lost 50c in the dollar, if you were a pensioner, for every dollar that you earned. That taper test is being cut to 40c.

The increase of four per cent in pensions is not just compensation for the tax changes. It represents a real increase in the pension. I hear the Labor Party interjecting, but I have had confirmation of that point from a rather spooky source. It has been confirmed in a document which is called ‘GST Information Kit’, published by Simon Crean, member for Hotham. It has a rather spooky photo on the front of it: a sort of shady character looking out from darkness—

Mr SPEAKER—The Treasurer will come to the question.

Mr COSTELLO—The information kit says this:

I am making this kit available to you not because I support the GST but because there is a need to try to sort out some of the confusion and explain how the GST will operate.

Then he says this:

The government is leaving people in the dark—

This is the man who is against advertising, complaining that the government is leaving people in the dark! Anyway, in this rather spooky document which masquerades as an information kit and has a falsehood on every page, I had to get to page 26 before I read a factual claim. Listen to this. In the information kit of the spooky member for Hotham, Mr Crean, he said:

The real increase in the pension will therefore be two per cent.

A ‘real increase’ in the pension. Let me explain what a real increase in the pension means. It means an increase in the pension over and above the increase in prices—which gives you, in real terms above inflation, an increase in your income. Let me make this clear, and it comes not only from this side of the House but is also endorsed by the Labor Party: if the new tax system were not coming into effect on 1 July, there would be no real increase in pensions. There would be no real increase in pensions under Labor policy. There would be no real increase in pensions if tax reform were not being accomplished. There has only been a real increase in pensions because this government was decent enough to give the pensioners a go and to give them a two per cent increase under the coalition plan, as endorsed now by the Australian Labor Party.

Although they purport to be giving out their own information, I think one of their main objections to the government information campaign is that it exposes the kind of misunderstandings that they like to put around in those booklets. This is what the shadow Treasurer claimed about the government’s advertising yesterday; this is the shadow Treasurer, Mr Crean, talking of the government ads:

The ads also claim that everyone will be worse off when in fact they will not be, he said of the government’s claims.

‘When in fact they will not be’. He was half right: they will not be worse off. But he was half wrong: the government’s ads do not claim that everybody will be worse off. That is a claim that is made in that kind of false information which is put around by the Australian Labor Party because they are so opposed to a GST which, after 30 June this year, they intend to keep.

Goods and Services Tax: Prime Minister’s Letter

Mr BEAZLEY (2.23 p.m.)—My question is to the Prime Minister. Prime Minister, will you confirm that as a member of parliament you, unlike the tax office, are entitled to a full electronic version of the electoral roll but that you declined this course of action for your
letter as either you or the Liberal Party would then be directly liable for the $10 million cost of the mail-out?

Mr HOWARD—I make no such admission. All I say is that the correct procedures have been followed. There will be a letter sent out, there will be an information booklet, and it is entirely appropriate—because it is publicising a decision of this government, endorsed by this parliament—perfectly in order and entirely in accord with the practice of past governments that the cost of that communication be paid for by the government.

National Rail: Sale

Mr CAUSLEY (2.24 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 details surrounding the sale of National Rail and how this will progress the government’s commitment to a viable national rail transport industry?

Mr ANDERSON—I thank the honourable member for his question. I know that many people in this place are very interested in rail, and they will be delighted to know—and I know that the Minister for Finance and Administration joins me in this good news—that the joint sale of National Rail is about to commence. Indeed, we anticipate that it will be completed by the middle of 2001. It has taken quite a while to get there. It took more than a little effort to ensure that we had the agreement of all shareholders to the sale management agreements under which the sale will now take place. The sale of NR is a key plank in the government’s rail reform program. It will facilitate greater private sector investment and participation, and I have no doubt at all that that is absolutely critical to increasing the competitiveness of rail in this country.

There are a couple of points I would like to make in relation to some of the speculation that is around at the moment. Firstly, a key objective of the sale will be to ensure that a privatised NR contributes to an efficient and viable domestic freight transport industry and, secondly, the Commonwealth government’s policy position is that rail reform would be best served by the sale of NR to private sector bidders, and sale management agreements have been put together on this basis. Details of the tender process will be released shortly, and if there are potential investors listening or present, I would encourage them to contact the Office of Asset Sales.

There is no doubt that the evidence is well and truly in: rail privatisation highlights the benefit of greater private sector investment in rail. Interestingly enough, Tasrail, in its now private form, has become profitable for the first time in 130 years. Freight Australia will invest $35 million in 2000. It is reopening closed branch lines, which is a new story in this country. Australian National, it needs to be remembered, suffered massive losses—hundreds of millions of dollars—when the ALP ran it. It was constantly being propped up while it offered ever declining services and lost more and more of the freight task in this country. The comment was made yesterday, ‘Never trust the ALP when it comes to managing money.’ Since this government’s sale of AN, after an appalling record when the ALP ran it, do you know what has happened to freight rates on the east-west corridor of this country? They have come down by 40 per cent. That is real reform. That is the private sector investing in a climate where they know that competent, competitive management is going to be allowed to flourish, in contrast with the sorts of massive job losses, massive taxpayer subsidies and ill-conceived investment plans that we saw under Labor. The way they have approached this is perhaps best summed up by quoting Bob Hawke who said in 1983:

I promise you that only the Labor government can be trusted to build the Alice Springs-Darwin railway.

Australian Taxation Office: Replyin5 Service

Mr CREAN (2.28 p.m.)—My question is to the Treasurer, and I refer to the tax office’s replyin5 service which guarantees a response within five days to any GST question from the public. Are you aware that people submitting GST questions by email to the replyin5 service are receiving the following auto response:
Please note that the demand on our replyinS serv-

ice has exceeded our expectations. While we are
eavouring to respond to requests as quickly as
possible, the volume of requests means that there
may be delays in response. To assist us in mini-
mising delays, please wait at least 14 days after
lodging your request before inquiring about its
status.

Treasurer, given your spending, now—

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

Mr CREAN—I am; now more than $420
million—according to the latest from the
Senate estimates today—to promote and ad-
vertise your GST, why couldn’t you find
enough to deliver a replyinS service that ac-
tually delivers the information people need in
the five days that you have promised?

Mr COSTELLO—I agree with the ques-
tioner on one point, and that is that people
want more information about tax changes—I
must say, a point which he himself made in
his spooky little document saying the gov-
ernment needs to give out more infor-

mation—and that is why the government is do-
ing that. On the one hand the Labor Party
would say, ‘People want more information,’
but ‘the last thing the government should
ever do is advertise and give it out,’ because
at the end of the day—

Mr Beazley—Mr Speaker, I raise a point
of order that goes to relevance. He was asked
a specific question. Why is he not spending
more of that $410 million on keeping his
promises to small business, instead of adver-
tising himself?

Mr SPEAKER—The Treasurer had been
on his feet for 42 seconds and was respond-
ing to a question entirely appropriately, and I
call him.

Mr COSTELLO—This is the largest tax
change in Australian history. It is probably
the largest legislative change in Australian
history. I gave out the figures yesterday.
From memory, there are about 1.4 million
businesses registered for GST. There are now
2.1 to 2.2 million people registered for the
Australian business number. The government
is ensuring that all of those businesses have
adequate information in relation to their obli-
gations. A big part of that is television adver-
tising, which the Australian Labor Party ap-
parently opposes. A big part of that is a $200
voucher which businesses can use to get ad-
vise. A big part of that is $200 million which
has been given to industry organisations so
that they can give up answers. I notice the
Australian Labor Party includes that $200
million which was given to industry organi-
sations as part of the so-called advertising
campaign—an entirely false claim. It was
given to industry organisations, including
organisations such as the ACTU, the Salva-
tion Army, the Australian Council of Social
Service and St Vincent de Paul, which the
Australian Labor Party apparently claims is
part of an advertising campaign. The com-
missioner, in my view—notwithstanding the
attacks which have been made on him by the
Labor Party, amongst others—has done a
very strong job. It was widely said that the
registrations would not be in in time. They
have exceeded the estimates. He has set up a
program whereby people can visit businesses
if they want more information.

Mr Crean—I seek leave to table a copy of
the auto response referred to in my question.
Leave not granted.

Employee Entitlements: Support Scheme

Dr NELSON (2.33 p.m.)—My question is
addressed to the Minister for Employment,
Workplace Relations and Small Business.
Would the minister inform the House of the government’s progress in helping workers left without all of their entitlements as a result of losing their jobs after 1 January this year as a result of their employer’s insolvency? Would the minister also advise us as to whether workers will receive all of the entitlements they could receive under the Employee Entitlements Support Scheme initiated by the Howard government?

Mr REITH—I thank the honourable member for his question. I know that he is an active member of the government committee on workplace relations, and I thank him and the chairman and others on the committee for the support that they have given for the development of this policy to help workers. I am very pleased to be able to advise the House that in the last few working days my department has provided funds to the receiver of Scone meatworks for the payment of funds under the Employee Entitlements Support Scheme. This scheme commenced on 1 January. As at 25 May 2000, 507 employees had put in claims under the scheme, relating to 69 separate business collapses. My department is working as quickly as it can to ensure these payments are made. I am also pleased to be able to say that I will tomorrow go to Scone, with Senator John Tierney as a local representative, to meet with those workers to advise them of the scheme, the payments that have been made and the implementation of this policy. When I speak with those workers tomorrow I will be the first minister of any federal government to ever talk with workers on the basis that there is a national scheme in place to actually provide these workers with some assistance.

As at the time of their termination, with the full implementation of the scheme, those workers would receive approximately 80 per cent of the entitlements that they are owed. If you put to one side the payments which were made by the company at termination, or shortly thereafter, an average of 66 per cent of the entitlements can be met under the scheme. Unfortunately, that will not, however, be the case in respect of Scone meatworkers. That is because, whilst it was acknowledged by the New South Wales government that it had a shared responsibility, the New South Wales government is not prepared to lift a finger to help these workers—even though I have a letter from the Minister for Gaming and Racing, the Hon. Richard Face, a member of the Carr government from New South Wales, asking me to ensure that Scone Fresh Meats’ meatworkers are included in any package offered to retrenched workers. So I have a member of Mr Carr’s government seeking federal support for these workers, when the New South Wales Labor Party is not prepared to do a thing for these workers. And there are a lot of New South Wales Labor Party members sitting in this chamber today who do not give one second thought to the interests of these workers.

It is not only the New South Wales Labor government; the Victorian Labor government are prepared to spend $5 million on an inquiry into their industrial relations system, but they are not prepared to do a thing for workers in the state of Victoria. And here in the federal parliament, the Labor Party are opposed to our scheme. They are opposed to our providing these funds to these workers. The Labor Party have no genuine costed alternative to the national scheme.

The federal Labor Party have not bothered to gather any support from the state Labor parties with whom they are in cahoots for the establishment of an alternative national scheme. When you ask the federal Labor Party to stand up for these workers and make representations to Bob Carr, not one of them is prepared to publicly criticise Bob Carr for not being prepared to do anything for these workers. They are simply not prepared to do anything for people who are genuinely in need of support. Not only are they not prepared to criticise Bob Carr but they write to me saying that we should look after these workers. The member for Shortland wrote to me, obviously supporting the scheme although that is not her party’s policy, asking me to extend it. I have a letter from the member for Fowler asking me for speedy consideration for a worker and payment to that worker, but she is not prepared to say anything to Bob Carr.

The member for Holt went 26 times better—he sent me 26 applications. Fair enough; he is prepared to do something for those
workers by sending in the applications, but he is not prepared to demand that his own front bench have a policy that would actually support those workers. I challenge him to stand up to Steve Bracks and demand that the Victorian Labor Party do something for these workers.

The member for Hunter—and I am sorry he does not seem to be here today—wrote to me on 8 February putting to me a proposition, which he obviously endorses, from the Cessnock City Council. He seeks ‘a fair and equitable package to protect employee entitlements, backdated to January 1’—which of course is exactly what we have done. He goes on to relay the views of the Cessnock City Council, and he urges ‘state and federal governments to work cooperatively to ensure that an appropriate system is put in place,’ and yet he is not prepared to say that to Bob Carr. He is prepared to say it to us, but he is not prepared to challenge the state Labor governments who will not lift a finger for workers.

Lastly, just to cap it off, my shadow, the member for Brisbane—the not often seen Arch; is he here?—wrote to me in September last year and said, ‘The Labor Party is ready to play a constructive part in the process of protecting employee entitlements.’ The fact is that the Labor Party is not prepared to do a thing for workers; not a thing. You have not been prepared to put a decent policy in, you will not stand up to Bob Carr, you will not stand up to Steve Bracks, you just roll over whenever the unions tell you to. I say to the Labor Party: put aside your cheap party political tricks and your cheap posturing. For once why don’t you, in the national interest and in the interests of workers who will not lift a finger for workers, believing the GST would adversely affect their bottom line, two-thirds of proprietors concerned by the complexity of the GST, and only 15 per cent believing that government policies are supportive? Instead of squandering the now more than $420 million of taxpayers’ money on GST advertising and propaganda, why hasn’t your government put more effort into preparing small business to better cope with this GST?

Mr HOWARD—That question just demonstrates that if you keep on talking, eventually you talk yourself into trouble, and that is exactly what the Deputy Leader of the Opposition has done. Of course I remember what I said to that French business audience, and of course I have seen a summary of the latest Yellow Pages Small Business Index. Amongst other things, it reveals that a majority of small businesses remain in favour of the goods and services tax. In fact, the number of people in favour actually increased.

The takeout of that survey is very clear, and that is that they want more information. That is exactly so. Am I and the Treasurer and our other colleagues on the front bench entitled to construe from the question asked by the Deputy Leader of the Opposition that the Labor Party would support the expenditure of further resources on providing more information to the Australian public about the new taxation system? I try to give the Deputy Leader of the Opposition credit for endeavouring to construct some kind of logical case.

Mr Wilkie interjecting—

Mr SPEAKER—The member for Swan!

Mr HOWARD—If you keep asking questions about providing more information, and if you complain because the reply service is being—dare I say it—overtaxed because of the volume of inquiries, all of that amounts to in effect saying, ‘We want not only more information but more resources devoted to providing more information.’ That sounds to me not only like a ringing endorsement of the government’s information campaign, it sounds to me very much like the Deputy Leader of the Opposition asking us to commit more resources. Can I say to the Deputy Leader of the Opposition that, when you get at your address in Hotham the book-
let explaining the GST, if you believe that further information is required, give me a call, or get Chris to give me a call, and I would be very happy to provide you with more information. I thank the Deputy Leader of the Opposition. I am delighted to know that the Labor Party wants more information. We are only too happy to provide it. We think that at the moment the level of information is enough, but in order to maintain a bipartisan approach we will continue to monitor the situation—and I thank the Deputy Leader of the Opposition.

Honourable members interjecting—

Mr HOWARD—I gather I have misled the House. The Treasurer reminds me that the Deputy Leader of the Opposition’s mailbox is not in Hotham. I apologise for that.

Universities: Enrolments

Mrs MAY (2.47 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House of the impact the Howard government’s education policies have had on university enrolments? Is the minister aware of any alternative policies seeking to put a cap on growth?

Dr KEMP—I thank the honourable member for McPherson for her question. This year the total number of domestic Australian students in higher education will be an estimated 464,700 full-time equivalent students, which is a staggering 42,000 more students than in Labor’s last year in office. That means that this government has added the equivalent of two substantially sized universities to the university system in the last five years. Even the New South Wales Left, whose notorious branch stacking in Werriwa and Fowler is well known, would be proud of these numbers. And, unlike the new ALP branch members, these are real students, they are alive and they have signed their own applications. These additional places have come into existence because this government has been prepared to pay universities for additional students above their fully funded load—something the Labor Party was never prepared to do—and to free up opportunities for fee paying places so that Australian students have the same rights of access to universities as overseas students. As a result of that, universities will get an extra $49 million for overenrolments in 1999. We have seen postgraduate numbers up four per cent and fee paying undergraduate places up 92 per cent. These results do not just happen.

Mr Wilkie—University places for the rich!

Mr SPEAKER—Order! The member for Swan will excuse himself from the House under the provisions of standing order 304A.

The member for Swan then left the chamber.

Dr KEMP—They require a government that is prepared to work hard to expand opportunities for qualified university students. Of course, when the Leader of the Opposition was education minister, he spent his time telling university applicants to go somewhere else, because he did not have the ticker to put in place the policies that would open the doors to qualified students. What did the supporter of the Knowledge Nation say when he was minister for education? I quote the Age of 28 February 1992:

‘The desperation to get into higher education is really misplaced,’ said the Leader of the Opposition.

Another quote:

‘Mr Beazley said that Australia had “unquestionably reached a point” where people’s expectations about entering a university had to change.’

‘We are approaching the limits of our capacity to continue to expand publicly funded university places.’

In other words, his message to qualified students was: ‘Get lost! Don’t bother applying for university because we’ve said there aren’t enough places in Australian universities.’ I quote from the Australian of 25 October 1993: ‘We’re going to have to cap university expansion.’ The Leader of the Opposition, when he was education minister, gave up on opening the doors to qualified Australian students. The fraudulent advocate of the Knowledge Nation, when he was put to the test, found it all too difficult, it was all too hard, and the easiest message was to say no more opportunities, no more places, for Australian students. The Howard government’s increase of 42,000 university enrolments over
Labor’s is 42,000 more reasons why the Leader of the Opposition will never make a credible education leader.

Goods and Services Tax: Clothing

Ms HALL (2.52 p.m.)—My question is directed to the Treasurer. Treasurer, do you stand by your claim, as set out in your original GST package, that the price of clothing will increase by only 6.8 per cent as a result of the GST? If so, why does Allan Fels’s GST shopping list state that the price of clothing will increase by 9.8 per cent? If Allan Fels does not believe your GST price promises, why should ordinary Australians?

Mr COSTELLO—In answer to the honourable member for Shortland’s question, I certainly do stand by the distribution and the analysis which was put in the A New Tax System booklet put out in August 1998. There was modelling on over 130 industry sectors. The modelling which has been done by the ACCC has broken down numbers of those and has itemised subcomponents of some of those 134 or so ABS statistics. One of the most obvious areas where Labor Party intransigence has pushed up the price of clothing was when the Labor Party voted against the government’s mandate in the Senate and forced a $3 billion hole to be belted through the revenue base. One of the things that the government had to do was delay for 12 months the abolition of financial institutions duty, and it had to delay for a number of years the abolition of the bank account debits tax. So, when modelling is now done on ANTS as amended, indirect taxes are still paid not only by clothing manufacturers, transporters and wholesalers but also by retailers.

One of the changes that the Australian Labor Party forced in the absolute genius of its opposition in the Senate was the continuation of indirect tax changes, which could have been abolished much earlier. That is one of the reasons why additional costs flow right back into the clothing sector. We would be more interested in the question if the questioner had said that she supported the abolition of financial institutions duty and bank account debits tax. If she supported the abolition of financial institutions duty and bank account debits tax, it would make clothing a lot cheaper, but she supports their continuation.

Mr Cox—Mr Speaker, on a point of order on relevance—

Mr SPEAKER—I believe the Treasurer has concluded his answer.

Employment Services: Programs

Dr WASHER (2.56 p.m.)—My question is addressed to the Minister for Employment Services. Is the minister aware of a recent speech calling for major changes to programs within the employment services portfolio? Are there any alternative views on this issue? What impact would such proposed changes have upon the effectiveness of these programs?

Mr ABBOTT—I thank the member for Moore for his question and for his support of the four recent Work for the Dole projects announced in his electorate. I am aware of a recent speech. It was a rare and welcome event—a Labor frontbencher giving a scripted speech on a portfolio issue which was not completely and utterly devoid of policy content. When I saw the title of the speech of the shadow minister for employment, ‘The Phantom Menace’, I thought perhaps she was talking about her relationship with Dickson. Perhaps that is where she is today. In fact, she was calling for the Job Network to be totally reconstructed in the image and likeness of the former government’s Working Nation program. The ‘phantom menace’, she said, was ‘the lack of guaranteed quality training available to the unemployed under the Job Network’. In other words, she wants to dictate to Job Network members exactly what they can and cannot do under this program. She wants to change everything about the Job Network except the name. She wants to change Job Network members from independent agencies delivering services according to their professional judgments into mere servants of the government.

Nevertheless, I congratulate the member for Dickson for so clearly setting out her position and for so clearly differentiating it from that of the government. Unfortunately, her preoccupation with training for training’s sake also puts her sharply at odds with her
senior colleagues. The Leader of the Opposition knows that training is not everything because when he was the Minister for Employment, Education and Training he received a SkillShare evaluation report stating that structured training did not improve job seekers’ employment prospects. The distinguished member for Melbourne knows that training is not everything because in his book, *Open Australia*, he said that Working Nation training programs had ‘led to perverse outcomes with some unemployed people forced to undertake inappropriate and even demoralising training’. Training is important, and that is why the Minister for Education, Training and Youth Affairs has boosted traineeships and apprenticeships to record numbers. That is why apprenticeship and traineeship commencements have almost tripled since 1995.

But training is not the only thing and, for many job seekers, it is not nearly as important as the job search skills and positive work culture which Job Network is providing. The member for Melbourne knows that. Very recently, in the foreword to the book *Tales From the New Shop Floor*, the member for Melbourne has written:

In most cases the skills involved—
that is to say, in the modern work force—
are fluid, always evolving and adapting, often under-recognised, and rarely attributable to formal education.

That is what the member for Melbourne says. He continues:

Solving problems, coordinating different activities, serving customers, responding quickly to client needs and managing effective communications all require skills which are almost absorbed rather than learned.

That is what the member for Melbourne thinks. Why then is the opposition so committed to training for training’s sake?

Mr TANNE—What’s your point?

Mr ABBOTT—It is very simple. The unions are committed to training for training’s sake—just as they are committed to the union bloc vote and just as they are committed to the socialisation objective. It is 10 years after the fall of the Berlin Wall, and the Leader of the Opposition in this, as in all other things, lacks the ticker to just say no.

**Goods and Services Tax: Clothing**

Mr CREAN (3.01 p.m.)—My question is to the Prime Minister. Prime Minister, do you agree with the Treasurer’s previous answer on the GST’s impact on clothing prices and his promise to Jon Faine on 14 August that the GST price increase is never 10 per cent? Prime Minister, have you seen this letter from Akubra Hats Pty Ltd, which states:

Akubra’s prices from 1st July 2000, as a result of the introduction of the GST, will increase by 10% over prices in place at 30th June.

If the cost of Australian icons like Akubras is going up the full 10 per cent, how can the government still pretend that nothing will?

Mr HOWARD—Could I say that—

*Opposition members interjecting—*

Mr SPEAKER—The Prime Minister will resume his seat briefly. It has been the habit of members of the chair to exercise a great deal of latitude, particularly to the Deputy Leader of the Opposition and the Leader of the Opposition, but the Leader of the Opposition has been persistently interjecting during question time. I ask him to exercise some more restraint.

Mr HOWARD—In matters of government policy, the Treasurer and I always agree with each other’s answers.

**Families: Policy**

Mrs HULL (3.03 p.m.)—My question is addressed to the Minister for Community Services. Minister, would you inform the House of the benefits of the Howard government’s Stronger Families and Stronger Communities strategies for families in my electorate of Riverina and beyond? Are you aware of any alternative family policies that exist?

Mr ANTHONY—I would like to thank the honourable member for Riverina, who has a very strong commitment to families. The government’s Stronger Families and Stronger Communities policies are all about a positive contribution to Australian families. They are new policy areas of prevention and early intervention, particularly for families at risk.
Mr Adams interjecting—

Mr SPEAKER—The member for Lyons is warned.

Mr ANTHONY—These benefits include new money of $240 million which will go to assisting families at risk, which the Labor Party did not have before. That is $40 million to the Stronger Families fund, $47 million to better parenting and early intervention strategies, $65 million to further child-care facilities and flexibility—again, which Labor never had—and $20 million going towards extended studies into childhood over the next nine years. The Stronger Families and Stronger Communities strategies are not only working with business and with government but also working with local communities. The coalition government recognises that local communities will drive a lot of these programs, not just the bureaucrats and certainly not the ACTU.

These measures have been applauded by ACOS, the Australian Federation of Homeless Organisations and Relationships Australia, to name a few. Let us contrast this with Labor’s hypocrisy. Recently, they produced a discussion paper—yes, not a policy paper, a discussion paper. Let me quote:

Our approach to family policy will be about putting the heart back in our society by bringing families back into the centre of our policy considerations.

So Labor have finally admitted they have never had families in their policies. Where is their heart? They have never had a heart. The coalition government do have a heart, and we have real policies for that. Let us look at some of the other considerations in this paper. They are out of touch. They talk about these early intervention programs—policies that we already have. They talk about the extended program of studies that they are doing in Europe or America, but they do not mention the studies in Australia. They do not mention our own programs, particularly the new Good Beginnings program. They have no new ideas, and they are promoting actual government policies. The bottom line is that this flimsy discussion paper is actually an endorsement of our policy.

Mr McMullan—Mr Speaker, I rise on a point of order. On behalf of everybody on this side, I—

Mr SPEAKER—The Manager of Opposition Business will come to his question or run the risk of being ruled out of order.

Mr McMullan—I am requesting that the minister table the document from which he so comprehensively quoted.

Mr SPEAKER—Was the minister referring to confidential notes?

Mr Anthony interjecting—

Mr SPEAKER—I could not hear the minister’s response. Was he referring to confidential notes? The minister was asked to table the document from which he was quoting. I invite him to do so.

Mr ANTHONY—I table the Labor Party’s flimsy document.

Mr SPEAKER—The minister was asked whether or not he was quoting from—

Mr McGauran interjecting—

Mr SPEAKER—The minister for the arts! The minister was asked to table the document from which he was quoting and he indicated he was prepared to do so.

Mr Beazley—Mr Speaker—

Mr SPEAKER—I will recognise the Leader of the Opposition in due course. The minister was asked to indicate whether or not he was quoting from confidential documents. He did not indicate to the chair that any of the documents from which he was quoting were confidential. I ask him to clarify that point because, frankly, I understood that neither of the documents was confidential.

Ms Gillard—They’ll never let you loose again, Larry, after this one.

Mr SPEAKER—The member for Lalor is warned.

Mr ANTHONY—Mr Speaker, some of the documents I had were confidential, and I have tabled the Labor Party document on their policies for discussion.

Mr SPEAKER—I thank the minister. The Leader of the Opposition.

Mr Edwards interjecting—
Mr SPEAKER—The member for Cowan: the Leader of the Opposition has the call and is being denied it by your intervention.

Mr Beazley—Mr Speaker, I and everyone on this side of the House clearly heard you give the appropriate interrogations to the minister as to whether or not he was quoting from confidential documents. He denied that he was and you invited him therefore to table them. Mr Speaker, he has—

Mrs Draper interjecting—Fran Bailey interjecting—

Mr SPEAKER—The member for Makin and the member for McEwen: the Leader of the Opposition has the call.

Mr Beazley—He has defied your ruling and should be obliged to table the documents from which he was quoting.

Mr SPEAKER—Let me assure the Leader of the Opposition and all members of the House that had the minister defied my ruling he would be dealt with as anyone else. In fact, I asked him to clarify whether or not they were confidential and he has done so.

Mr Snowdon interjecting—

Mr SPEAKER—The member for the Northern Territory is warned.

Mr COSTELLO—In addition, it can get the benefit of all input tax credits on everything that it buys, including matters that it cannot currently get in relation to power and the like. In addition to that, I presume the Launceston Examiner is owned by a company which will have its company tax rate reduced from 36 per cent to 34 per cent on 1 July and to 30 per cent on 1 July 2001. So I most certainly would not agree with the Launceston Examiner or anybody else who said that its business costs were not coming down, because business costs in this country to all companies, including the Launceston Examiner, are falling by billions of dollars, something that the Labor Party was never able to put into place.

Other than that, if it is claimed that the price was being put up by 12 per cent solely as a result of tax changes—and I would certainly want to look very carefully at the claim—that would of course be misleading conduct and you would be entitled, Mr Speaker, if you were genuinely concerned about it, to alert the Australian Competition and Consumer Commission. But perhaps you are unaware that you have the ability to do that, which again illustrates the fact that we should have more advertising to make clear to the members of the Australian Labor Party the remedies which are at their disposal.

Private Health Insurance: Reforms

Mrs DRAPER (3.13 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister inform the House of support for the government’s private health insurance reforms; and, Minister, how are these reforms supporting Medicare?

Dr WOOLDRIDGE—I certainly do not agree with that letter from the Launceston Examiner, because the Launceston Examiner will receive numerous benefits from tax changes. Not only will all of its deliveries by freight be cheaper, because diesel excise in the state of Tasmania is being cut to 20c per litre, but all of its capital equipment, which currently bears 22 per cent, will be effectively purchased without any tax at all under a GST system.

Mr Cox interjecting—

Mr SPEAKER—The member for Kingston is warned.

Mr COSTELLO—In addition, it can get the benefit of all input tax credits on everything that it buys, including matters that it cannot currently get in relation to power and the like. In addition to that, I presume the Launceston Examiner is owned by a company which will have its company tax rate reduced from 36 per cent to 34 per cent on 1 July and to 30 per cent on 1 July 2001. So I most certainly would not agree with the Launceston Examiner or anybody else who said that its business costs were not coming down, because business costs in this country to all companies, including the Launceston Examiner, are falling by billions of dollars, something that the Labor Party was never able to put into place.

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major reform we have had to the private health insurance sector in over 30 years. It is part of a large number of reforms, which include the 30 per cent rebate, gap cover and prudential regulations. We have been criticised for undertaking these reforms but, collectively, they have made a very important contribution to the health care system. The criticism is encapsulated by the member for Jagajaga, who last year in this House said:

The Australian public are well aware of what they get from Medicare and they do not have the government’s ideological commitment to private health insurance.

This week I received the results of some research we have been undertaking to underpin Lifetime Health Cover. A recent national survey found that 74 per cent of Australians actually agree with the government: they require a health system that has a balance between public and private health sectors. That is three out of every four Australians who do not share the member for Jagajaga’s opinion on the health care system.

In a press release earlier this year, she stated, ‘Instead of propping up private health insurance, the government should recognise that the public are very happy with Medicare.’ Yes, Australians are happy with Medicare, but they also are very happy with the fact that they now have some choice in private health insurance, and they do not share the member for Jagajaga’s ideological fixation with driving the private health care system into the ground.

The research also gives us some very positive indications. Two-thirds of Australians unprompted are now aware of Lifetime Health Cover; and, prompted, 88 per cent of the Australian population is aware of Lifetime Health Cover. This shows the benefits of government information to the public. There is one level that is of some concern to us, and that is that only 62 per cent of people had an awareness of the cut-off date. This was after the first week of our being back in the marketplace advertising the changes, and this is an area we will be focusing on in the next couple of weeks. The cut-off date is 30 June. If people do not get in by then, they will miss out. The campaign ‘Run for cover’ is very serious; people do not want to miss the opportunity of being treated as though they are 30 years of age for the rest of their life.

**Goods and Services Tax: Rent**

Mr ALBANESE (3.16 p.m.)—My question is addressed to the Minister for Community Services. Given that the government’s own National Homelessness Strategy, released on Thursday 25 May, on page 16, under the heading ‘High risk of homelessness groups’, states that ‘The Commonwealth identifies some of the high risk groups as being families living in caravans and hotels and families living in boarding houses’, why is it that your government has decided that these will be precisely the only residents who will pay the GST on their rent?

Mr ANTHONY—There are a number of issues that the honourable member raises. The first point goes to our homeless strategy: $800 million over the next five years will go into SAAP; $60 million will go to the Reconnect Program; and—as I mentioned earlier on—$240 million will go into Stronger Families and Stronger Communities. As far as people who live in alternative forms of accommodation are concerned, whether they are in caravan parks or whether they are in bricks and mortar, the facts are that this government has increased pensions by four per cent—a two per cent real increase. We have increased rental assistance at the maximum thresholds by seven per cent.

Mr Albanese—Mr Speaker, I raise a point of order on relevance. The question was very precise and raised one issue, which is why—

Mr SPEAKER—The member for Grayndler will resume his seat. I was listening closely to the minister’s answer. He had specifically made reference to those who occupy caravan parks and is relevant, and I call him.

Mr ANTHONY—The member for Grayndler spends a lot of time scaring these vulnerable people in our community. But the bottom line is that, for these particular individuals, rent assistance will be increased by seven per cent at the maximum rate. What this means is that for the majority of those people who live in mobile home parks—and they are great people who live right across
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Australia and particularly on the eastern seaboard and, indeed, in my federal seat of Richmond—three-quarters of the increase they face will be matched by rental assistance. The bottom line for these people is that, if they are a pensioner couple in a mobile home park, they will be between $11 and $12 a week better off and, if they are a single pensioner, they will be $6 a week better off. You would be better off spending your time looking after the homeless in Sydney than scaring a lot of innocent people.

Goods and Services Tax: Information Campaign

Mr LINDSAY (3.19 p.m.)—My question is addressed to the Treasurer. Would the Treasurer detail to the House all of the elements of the government’s information and education campaign to explain the changes to Australia’s tax system?

Mr COSTELLO—I thank the honourable member for his question. The most important element of the government’s information campaign is the GST Start-up Assistance Office, which has received some $200 million. The Labor Party has been falsely claiming that the government’s advertising campaign is $360 million. In fact, it puts $200 million of assistance to community organisations to help them with their compliance as part of that campaign—$200 million goes to the GST Start-up Assistance Office, of which $150 million is directly delivered to organisations like the National Catholic Education Commission, which got $6 million.

The Labor Party makes false claims about grants to community organisations and business organisations to help them with compliance costs. I have had numbers of meetings with business and community organisations, and not one of them has said to me yet that they think they have got sufficient amounts for this. But $200 million of it was for the GST Start-up Assistance Office going to those industry associations by direct grants to help them with compliance. The Labor Party would say, ‘Oh, well, it’s a government advertising campaign.’ Listen to some of the recipients: the National Catholic Education Commission, $6 million; ATSIC, $400,000—presumably that is a GST advertising campaign. The ACTU was a beneficiary under the so-called advertising campaign. Anglicare Australia received a direct grant. The Salvation Army—the Labor Party wraps up grants to the Salvation Army and makes the false claim that it is advertising. St Vincent de Paul—$500,000 to help St Vincent de Paul with its tax obligation. There is the Council of Social Service of New South Wales with $3.6 million. Surf Lifesaving Australia also got megabucks. There is the Motor Traders Association. So that is $200 million which went to industry associations including churches, social welfare organisations, ACTU, in relation to helping them with compliance.

There is another $36 million—which the Labor Party also wraps into its false claims—in information campaigns on the Australian business number and the PAYG system, both of which the Labor Party supports. They may not remember it, but it was actually their policy at the last election to introduce the ABN and the PAYG but without the GST. So you could hardly be against that informational campaign.

The remaining $100 million of the so-called $360 million is not a yearly cost at all. It is a four-year program—and the Labor Party has added up the four years and claimed an expenditure—and $54 million is in the current year. The community campaign is $46 million. So you have $54 million in relation to business and its compliance and $46 million in relation to consumers.

Let me make this point: introducing this tax change will secure $24 billion in revenue for the states this year. If the Labor Party wants to say that the $360 million could have been spent on new schools, what does it say about the $24 billion that will come from the GST? Does it say it is opposed to that $24 billion from GST revenue which will go to the states and which will fund every single school in Australia? The GST will fund every single school in Australia because the total state spending on education is $14½ billion. It will then fund all housing for all states in Australia, which is an additional $2 billion. It will then fund every last dollar of the $6.8 billion spent on law enforcement in this country. So, if the Labor Party wants to say that it is opposed to GST,
then it is opposed to the funding of every school, every teacher, every house, every housing commission tenant, every policeman, every court, every prison and all of those services that the GST will fund.

But of course we know that, when the Labor Party wants to run its populist campaign, it is against goods and services tax, until 30 June. At midnight on 30 June, the Labor Party becomes in favour of the goods and services tax. The Leader of the Opposition is so opposed to the goods and services tax that, if he is ever elected, he wants to keep it. He has come out and said, ‘I won’t just keep it, I want to actually roll it back.’ He cannot tell you where, he cannot tell you when and he cannot tell you how much. When he was on radio in Melbourne, he was asked by Jon Faine how he was going to pay the states all of this revenue to fund their schools, their hospitals and their law enforcement, how he was going to roll back the GST and how he was going to make up the revenue. Jon Faine said:

You can increase excise on petrol and alcohol and cigarettes.

And we know they are against that. He goes on:

Is that what you propose? You can put up income tax rates again, or company tax again. But you can’t have more money with less tax all across the board.

This is the reply of the Leader of he Opposition:

No, what I’ll do is give you a sheet of paper on which you can write out all your ideas on these matters and you can send them up to us ...

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

QUESTIONS TO MR SPEAKER

Questions on Notice

Ms BURKE (3.26 p.m.)—Mr Speaker, in accordance with standing order 150, I ask that you write to the Minister for Aged Care to respond to question No. 1246 on the Notice Paper, which is most pressing to my electorate. I ask that she respond.

Mr SPEAKER—I will follow that matter up on behalf of the member for Chisholm.

PERSONAL EXPLANATIONS

Ms HALL (Shortland) (3.27 p.m.)—Mr Speaker, I seek to make a personal explanation.

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

Ms HALL—Yes, grievously so.

Mr SPEAKER—The member for Shortland may proceed.

Ms HALL—The Minister for Employment, Workplace Relations and Small Business claimed in question time today that I wrote to him supporting his workplace relations legislation, in particular the legislation relating to workers’ entitlements. I do not, I have never and I will never support the minister’s legislation. Furthermore, I wrote to the minister about some constituents who were disadvantaged because he would not do anything to help them. They are without any entitlements whatsoever.

Mr SPEAKER—The member cannot advance her argument, but she may indicate where she has been misrepresented. As she has done so, she will resume her seat.

QUESTIONS TO MR SPEAKER

Treaties Committee

Mr PRICE (3.28 p.m.)—Mr Speaker, I have a question to you about the responsibilities of the Joint Committee on Treaties. Whilst I understand they have the responsibility to examine new treaties, do they have a responsibility to examine old treaties, particularly where there may be a desire to opt out of certain provisions of existing old treaties?

Mr SPEAKER—It is not a question I am able or would wish to answer on the run, and I do not believe the member for Chifley would have anticipated that I was going to do so. But I will investigate the matter and get back to him.

Questions on Notice

Mr KELVIN THOMSON (3.28 p.m.)—Mr Speaker, when I asked question on notice 404 to the Minister for Health and Aged
Care, Dr Wooldridge, regarding the cost of the government’s private health rebate advertising program, it was 10 February 1999. You had just become Speaker. You were a much younger man then. No-one had heard of match fixing.

Mr SPEAKER—The member for Wills will come to the matter of standing order 150.

Mr KELVIN THOMSON—You get my drift, Mr Speaker. It has been a long time, and I ask whether you would write to the minister and seek an answer to these questions.

Mr SPEAKER—I will follow the matter up.

PERSONAL EXPLANATIONS

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (3.29 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the Leader of the House claim to have been misrepresented?

Mr REITH—I do.

Mr SPEAKER—The Leader of the House may proceed.

Mr REITH—The member for Shortland has just made some claims which were an inaccurate statement of what was said during question time. What I said was that she sought an extension of the entitlements scheme which the government has, and I table the letter which I got from the member, which puts the matter beyond doubt.

AUDITOR-GENERAL’S REPORTS

Report No. 44 of 1999-2000


Ordered that the report be printed.

PAPERS

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (3.30 p.m.)—Papers are tabled as listed in the schedule circulated to honourable members. Details of the papers will be recorded in the Votes and Proceedings.

Motion (by Mr Reith) proposed:

That the House take note of the following papers:

Two letters relating to a Statutory Declaration tabled by the Minister for Health and Aged Care (Dr Wooldridge) in the House of Representatives on 27 September 1999 concerning MRI issues.


Debate (on motion by Mr McMullan) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Aboriginals: Reconciliation

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

The need for the Government to recognise the requirement for, and the benefits of, a national apology to address the trauma and suffering experienced by Indigenous Australians due to past practices.

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

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

Mr BEAZLEY (Brand—Leader of the Opposition) (3.32 p.m.)—One of the most inspirational features and one of the inspirational stories, in what has been several years of what might be described as a bleak period in Australian politics since the tabling of that report on the stolen generations and the attempted denial having been very effectively resisted in the course of this particular year, is the way in which the ordinary Australian people have been able to take away from this chamber, which has been prevented from being able to address the substance of what
If I heard it once, I heard it a thousand times from Liberals, from National Party supporters, from Labor Party supporters and from people who would not admit to supporting any particular party and, except on election day, would not particularly care. What every single one of them said to me—and naturally enough they would because I am here in this federal parliament with responsibilities in this federal parliament—when will this parliament join us in a statement of atonement? It was the overwhelming desire of everybody who was participating in that movement to see coming from this national parliament—now the only parliament in the country not to formally issue an apology—an apology. Every single person who spoke to me knew that the blocker in this was not the Minister Assisting the Prime Minister for Reconciliation, not the Minister for Aboriginal and Torres Strait Islander Affairs, not the Attorney-General, not the Deputy Prime Minister. Every single one understood that the only impediment to that statement of national apology was the Prime Minister of Australia.

There are many Australians, I am thoroughly aware, who do not believe that there ought to be a formal statement of atonement and apology from this parliament or from anyone else. I have also had opportunities over the last couple of years to talk to a fair few of them. I might say that the readout from them is not dissimilar in outcome. They say, ‘We don’t believe we ought to apologise for things past, but for God’s sake can’t we put this aside and move on? Can’t we just get the parliament to do it and move on?’ That is what the vast bulk of the Australian people now believe. Whether or not they believe it is necessary, they want a conclusion, because they understand that it is at the heart of reconciliation. It is not part of a treatise; it is not a side issue. They know that a reconciliation process where injustice has been done requires an apology and an atonement to be made. They understand instinctively that a critical element of the reconciliation process is that that should occur.

It is the Prime Minister’s stubbornness which prohibits it—nothing else. The reason why I state with enormous confidence that
various ministers who participated in Corroboree 2000 over the weekend would be of that view, if ever the Prime Minister unleashed them, was the statement made by the responsible person on that side of the House associated with reconciliation at the time the reconciliation process itself began, and that was the now Minister for Health and Aged Care, Michael Wooldridge. In a speech in 1991, he said:

One of the most moving speeches that I heard in my time as shadow minister for Aboriginal affairs was at a dinner that the Minister arranged and kindly invited me to attend when Bishop Malcolm—an Anglican bishop in northern Australia, an Aboriginal man—got up at the end of the dinner and gave a very moving speech about his hopes and aspirations for the future. They were quite simple. They were not hopes and aspirations that looked to the past at all; they were hopes and aspirations for the future. He said, ‘All Aboriginal people want is for someone to say, “Sorry.” ’ We cannot undo the past. We have to look to the future. The first essential step in that is just simply saying ‘Sorry’.

This was anticipated by the government when in opposition, at the time the reconciliation process began. It was anticipated that there was invariably going to be, at some point in time in the process, a statement of atonement. They would not have had to look very far during the last decade to see other nations facing similar situations and doing exactly the same thing themselves. For example, the Swiss government has apologised to the Romany victims of child removals; the Canadian government has apologised for the detention during World War II of Japanese-Canadians; in 1993, the US Congress, in a joint Senate and House resolution, apologised to native Hawaiians on behalf of the US for the overthrow of the kingdom of Hawaii 100 years earlier; in 1997, the Norwegian king apologised for the injustices committed in the past against the Sami people by the Norwegian state through harsh policies of Norwegianisation; and in 1998, the Canadian Minister of Indian Affairs and Northern Development declared that the government of Canada wanted to make a solemn offer of reconciliation. The minister made an apology from the government of Canada ‘particularly to those who experienced the tragedy of sexual and physical abuse at residential schools’.

These are nations facing almost precisely the same sorts of circumstances that we face, and none of them assumed for one minute that they would begin a process of reconciliation without a formal statement of atonement. If that were not enough, if you could not draw examples from elsewhere, from equivalent nations to ours confronting precisely the same problems, go to our own parliaments. The Victorian parliament, for example, in a motion moved by Jeff Kennett, has ‘apologised to the Aboriginal people on behalf of all Victorians for the past policies under which Aboriginal children were removed from their families’. Then you had Richard Court, the Premier of Western Australia, saying that it was appropriate in a formal way, and he said, ‘The parliament would apologise to the Aboriginal families that have been affected.’ He thought it very important that we have bipartisan support in this parliament for the motion. You have heard Premier Olsen with great pride during Corroboree 2000 say that his parliament under his direction was the first to make a statement of apology in this country to those who were victims of the stolen generations.

The Prime Minister’s excuse for not making that apology is this: ‘I don’t feel responsibility for it because it belonged to an earlier time.’ All of us who attended the corroboree understood that some features of it do belong to an earlier time. But nobody could have heard Mick Dodson’s statement during the events on Saturday, in which he analysed what happened to his own family under assimilation—the jailing of his father for being in love with his mother; the separation of his siblings at different points in time under that policy that stole children away from their families and put them into institutions—without understanding that it happened in our lifetime in politics. Though assimilation policies were formally dropped during the 1960s, the practice of seizing young Aboriginal children under those assimilation policies continued through the 1970s. The most notorious of the homes in the Northern Territory, in which children were still being placed up until the day it closed, did not close until 1982. In that period of time, I was an activist in Labor Party politics, elected to parliament in 1980. The Prime Minister was a senior
minister in the national government throughout that period. He was a senior minister in a government influencing the affairs and policies of state.

It is, as Mr Dodson pointed out, not a matter of dim, dark past history. The tale of that history span out into the political lives of all of us, and it is we who are responsible for decision making in our own time who owe an apology to the Aboriginal people for decisions of which we may have been ignorant, but ignorance is no defence. Ignorance is no defence against an obligation on us to make atonement. I do notice that the Prime Minister is trying to move this issue on a little. He is now trying to deal with the notion arising out of the reconciliation process for some form of closure, because everybody understands that it was not closure this weekend but the beginning of the road—if anything, a way station. He understands that there is a desire in the Aboriginal community for a treaty or some other form of document to produce closure at the end of the day—an agreement between the peoples of this country: the indigenous peoples and those who have arrived in the last couple of hundred years plus.

I do not understand why this always has to be the case, but every time an Aboriginal hand of friendship is extended to the Prime Minister it is smacked away. The Aboriginal community is thoroughly cognisant of the fact that what we end up with may well not be a treaty and it may not be the appropriate point at which to conclude. They want to discuss it with us. They want a discussion about whether or not we should get to that point. But the Prime Minister, in the same way as he has sought and failed with an apology to seek political advantage, now seeks it from this: smack away the hand of friendship! Well, this parliament must not permit itself to be dominated by the view of one man any more. We have our duty, and our duty is to join those state parliaments and those national parliaments in equivalent situations and start our contribution to the healing process that every Australian expects we will, and use the resources of this parliament to make that statement of atonement. (Time expired)

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (3.47 p.m.)—Let me first say in relation to the weekend that has just passed that I was very pleased to represent the government and to have the opportunity of witnessing Corroboree 2000. It was a very important event for Australia and it was an important opportunity for Australians to demonstrate their commitment to the process of reconciliation. I have made the point over the last few days, and I will make it here in this debate today, that our approach on this issue has been to bring together Australians and not to divide Australians. It is about achieving resolutions in practical ways; but it is in the context that these are very sensitive and, I acknowledge, difficult issues about which there have been widespread views within the Australian community. But there needs to be healing and, as is often expressed, a journey that people take where they get beside each other and have a better understanding of each other’s point of view.

What was so important for me over the weekend was the extent to which Aboriginals were able to march beside tens of thousands of non-Aboriginals and, as the Leader of the Opposition said in his own statement, a very representative group of Australians: the aged, the young, multicultural Australians in our culturally diverse society, and the wealthy and the poor. To the extent that we were able to do so, we were healing some of the deeply held wounds of the past. Much of the problem we have had in our society has been the extent to which people have been marginalised. Much of the problem we have had as a society is the extent to which, within the communities in which people live, there has not been effective communication.

I had somebody some little while ago from outside Australia endeavour to summarise these issues. He was an Englishman who had been sailing from Singapore and had called at Darwin and at Nhulunbuy in the Northern Territory. I saw him on a flight to Thursday Island: it was a time when the Council for Aboriginal Reconciliation was meeting. His yacht had had engine failure and he needed to go down to get a part and he was coming
back on the plane. His observation about some of the centres that he had visited, as somebody outside looking in, was that people were living in the same towns in the same communities but that their eyes never met.

It is a pretty tragic thing, in parts of Australia, where in the hearts and minds of people that linkage is not there. Reconciliation is really about curing that. Why Corroboree 2000 was so important was that it gave people the opportunity to lift their own self-esteem by the fact that they knew that there were tens of thousands of other Australians—members of the Liberal Party, members of the coalition and party members—walking across that bridge together. I think you can see it in the way in which Aboriginal Australians are deporting themselves today, in their self-confidence that comes through. It is very different from what I saw when I first got involved with Aboriginal affairs some 25 years ago in public life.

I do want to make the point—because I do not want to focus too much on the Leader of the Opposition’s speech, which was really about personalising the comments around the Prime Minister and making the Prime Minister an issue for the purposes of division—and I want to put it in the context that the Council for Aboriginal Reconciliation itself put it. The council has recognised and has said that its work has focused on ways to bring the nation together:

Reconciliation is now on the national agenda. The Council believes that its documents for reconciliation must address a wide range of issues and truths. Some of these will be common ground for many Australians. On others, there are genuine differences of opinion.

We celebrate our common commitment to an ongoing reconciliation process and equality of opportunities for all Australians. However, there are many paths to reconciliation.

There have been comments that focus on the areas of difference. I think it is important to focus on the areas of unity and what brings us together. I want to take members to some of the points where there has been very significant agreement. Let me deal with the issue that the Leader of the Opposition raises when he says there is a need for a statement of atonement. There has been movement on this issue. There was movement on this issue, accepted in good faith by many indigenous Australians, when this parliament agreed on a resolution acknowledging the deep and profound regret that was felt in the parliament for those dreadful events of the past. When you come to the proposal that the council put for a document of reconciliation, the government put out an alternative form of words. This was created as a view about division, but I want to focus on the words that the government used. The government used these words:

As we walk the journey of healing, Australians express their sorrow and profoundly regret the injustices of the past and recognise the continuing trauma and hurt still suffered by many Aboriginals and Torres Strait Islanders.

I emphasise those words: ‘Australians express their sorrow and profoundly regret the injustices of the past’. This is in addition to the many occasions on which the Prime Minister himself has said that he feels personally sorry for what has happened before. The Prime Minister said on 10 May:

I am sorry for the injustices of the past but I do not apologise for them because I was not responsible.

When those points are made, people say, ‘But, look, we’re not blaming you. Our approach in seeking an apology is not about blame. All we want you to do is apologise.’ I come to the point—and this is where differences do emerge sometimes about words—of: why do you get the concept of apology on the one hand but coupled with forgiveness on the other if it is not about culpability, if it is not about blame, if it is not personalised?

As I said, Malcolm Fraser has brought himself into this debate fairly recently, and he said, ‘When my mother passed away, many people came to me and said, “I am sorry to hear about your mother’s death.”‘ Many of us have had that experience. But I am sure he did not say to any one of those people who commiserated with him, ‘And I forgive you,’ because it was not about blame. He is not blaming somebody who says, ‘I am sorry for what has happened,’ because there is no personal culpability or responsibility. And yet in much of this debate, regrettably, people say, ‘Well, don’t worry about the
words. Forget the words and move on.’ But the fact is that words are used in order to engender a degree of culpability upon which other questions, which the Leader of the Opposition wanted to avoid today, are being pressed, because culpability ultimately moves you on to another question, that is, compen-
sation. The Leader of the Opposition said, ‘Look, we don’t want to talk about these other issues today.’ He recognises that the Prime Minister has moved on a little. But he talks about the desire for a treaty.

What has always interested me in these matters is that people are now saying we should talk about treaties. I have always under-
stood treaties to be documents between nation states—that is essentially what they are. I have heard others say they can be a peace document. Yes, peace documents after war between nation states. That is what a treaty is about. All right, we have said we are happy to talk about these issues. We are prepared to sit down and talk about these issues. The opposition, after having initially said, ‘Look, we’re keen to pursue a treaty,’ are now saying, ‘Look, we want to have discus-
sions,’ because they recognise that there are enormous difficulties with this issue. The reason—and I have seen some of the com-
ments of the Leader of the Opposition—we had a reconciliation council was that the for-
mer government had difficulty in dealing with the question of ‘treaty’ and the way in which you could move forward on a different basis. When Malcolm Fraser was there the same issue was alive. This issue was first raised by the late Dr Coombs, so it is not a new issue. There was an effort to say, ‘How can we address these ways without having a treaty but by looking at some concept in Aboriginal society which may give us a useful way of moving forward?’

People looked to, I think, the language of the Aboriginal people from Arnhem Land where makarrata was looked upon as being the basis; it related to the way in which people might sit down afterwards and talk an issue through. Makarrata seemed to be a useful way of moving forward to acknowledge that there ought to be a basis of sitting down and working these issues through in a positive way. But in the end, I suspect, it was a term that was largely unacceptable to indigenous Australians because it did not recognise the differences of the language groups and the clans and the moieties that we have around Australia.

So this idea that you can focus on a treaty as being the way forward flies in the face, I think, of what we really want out of the rec-
conciliation process, and that is the bringing of Australians together. The weekend itself was about that. There would have been many Australians walking across that bridge who agree entirely with what the Prime Minister has been saying but are there because they want reconciliation. They do not want the artificial dividing of Australia and Austra-
lions on these issues. I would hope that, rather than personalising these matters—as the Leader of the Opposition did again to-
day—on the Prime Minister—

Mr Melham interjecting—

Mr RUDDOCK—He takes my com-
ments, he takes the Minister for Aboriginal and Torres Strait Islander Affairs, he takes the Leader of the National Party—he takes each of us in turn—and he says, ‘You’re on one side. You’re all right, fellows. But the Prime Minister is elsewhere.’ He personalises it because he is about introducing division. The point I am making is—and it ought to be the point—we ought to be putting aside the way in which you are progressing these is-
issues. Stop trying to extend the boundaries. Come on board for a genuine reconciliation that brings Australians together in welcoming indigenous Australians as part of our com-

munity, equal in every respect with every other Australian, entitled to the same oppor-
tunities; working positively to address what we know is the marginalisation, the disad-
vantage that they have suffered; recognising that we are addressing the spiritual com-
ponent through reconciliation but there are op-
portunities for us in very practical ways to address their physical well-being—their em-
ployment needs, their housing, their health and their education. I am pleased to say I think we have come some way on those matters. But we have a long way to go. In a spirit where you sit down and work these issues through together we can do a lot more
for indigenous Australians than we are doing by having divisive debates.

Ms PLIBERSEK (Sydney) (4.02 p.m.)—
It is ironic that a Prime Minister who cannot apologise for the murders and the dispossessions and the separation of Aboriginal families from their children and from their land sends in an apologist in the Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation. He is apologising for the Prime Minister not saying sorry—very ironic indeed.

I was proud on Sunday to be one of the many hundreds of thousands of people to walk across the Harbour Bridge to express my support for reconciliation between Aboriginal and non-Aboriginal Australia. The people who marched on Sunday were there because they recognise the requirement for, and the benefits of, a national apology to address the trauma and suffering experienced by indigenous Australians due to past practices. Organisers had hoped that 100,000 people would walk on the bridge on Sunday. In fact, there were many times that number. Organisers later estimated that the number was closer to a quarter of a million, and some estimates are even higher. It is clear that this is the people’s movement that the Prime Minister referred to when he said last week that reconciliation was:

... not something that can be mandated from some sort of political heaven. It is something that has got to actually occur on the ground amongst people in their hearts and minds.

The walk on Sunday was exactly that people’s movement. It was not a gathering of the lunatic fringe but of ordinary Australians from all walks of life. They came from all over Sydney, from around NSW and from around the rest of the country. They support an apology and the healing that that will bring.

The march was led by a number of Aboriginal people—from the Council for Aboriginal Reconciliation, elders from the Sydney area and from other parts of New South Wales. It included some of the older people riding in buggies and also Aboriginal children being pushed in prams. This diversity was also reflected in the non-Aboriginal people who marched on Sunday. One couple I met had come from Adelaide. They were a couple in their sixties who are taking an opportunity after retirement to travel the whole of the east coast of Australia, but they made sure they would be in Sydney on Saturday for Corroboree 2000 and on Sunday for the bridge walk, because they wanted to show their support for the cause of reconciliation.

After the walk on Sunday I met a young friend of mine, Harry, and his friend from pre-school, Ruby. They both walked. When I asked, ‘Why did you walk?’ they were able to say, ‘To say sorry.’ ‘Why did you want to say sorry?’ I asked them. They said, ‘We wanted to say sorry to the children who had been taken from their mummies and daddies.’ It was easy enough for four-year-olds to understand, but the message has not got through to this Prime Minister.

Also, many well-known Australians marched on Sunday, and I saw Patricia Am- phlett—Little Pattie—Col Joye and Thomas Keneally. They were there in great numbers. But they were not marching because they were high profile people or celebrities. There was no idea of drawing attention to themselves. They were walking because they wanted to be counted as individuals as part of this larger group, as part of this mass movement towards reconciliation. Many of my parliamentary colleagues were also there, from both sides of the parliament, from all political parties—not through any hope of drawing attention to themselves, not because it was a politicians’ event but, again, because they wanted to be part of this mass people’s movement for reconciliation.

There were reconciliation groups from around New South Wales. I saw banners from Newcastle, from the Hawkesbury and from the Sutherland Shire—all of these reconciliation groups that have worked so hard on this issue and occasionally must just feel despair when they see that this Prime Minister has so little interest in the issue. In fact, the turnout must have buoyed the spirits of people who have been working for many years for reconciliation. The turnout was so big that the bridge remained closed for two hours longer than was expected. In fact, at one stage North Sydney station was closed.
and trains had to stop at Milsons Point and have people alight there, because the congestion near the start of the walk was so great that the organisers could not cope with any more people getting off the trains. CityRail reported that in just 20 minutes—from 10.20 a.m. to 10.40 a.m.—the trains carried 51,000 people to the walk. If you want to extrapolate that from 8 a.m. until almost 1 p.m., you will get some idea of the numbers who walked.

Yet none of this matters to the Prime Minister. Is he really unconvinced that there is support from middle Australia for the process of reconciliation? Or is there some other force at work here? Has the Prime Minister decided that there is enough support for reconciliation but that this support is in the wrong seats? Has he decided that he will target the disaffected One Nation voter, in the hope that the politics of division will get him over the line at the next election? The Prime Minister must have calculated, as cynical leaders do, that for every person marching there would be 10 more—at least—at home who support this cause. Can he really believe that the movement for reconciliation is not ‘on the ground amongst the people in their hearts and minds’, as he said last week?

One of my constituents, Heidi Mannering, is one of the people who wanted to be there on Sunday but couldn’t. She emailed me, and this email is typical of much of the correspondence I have received. She wrote:

I was unable to attend the walk on Sunday 28th May, but I would have liked to. I believe that the Australian government has a responsibility to apologise and form a treaty with the indigenous people of Australia. I am unable to email this to John Howard as he does not have an email address, but I would like him to know.

Of course, I will be passing that on to the Prime Minister.

How appropriate that the walk should pass Circular Quay and end at Darling Harbour. The part of Sydney that is now the inner city—the heart of my electorate—is the site of much of the first contact between Aboriginal and non-Aboriginal Australia. It is the site of the first murders of Aboriginal people and the first revenge attacks by those local groups. It is the place where influenza and smallpox wiped out half of the local popula-

My electorate is still home to a large number of Aboriginal people. Many live in poor conditions in Redfern and Waterloo. Sydney is an appropriate place to remember the history of first contact and later government policy and how it still impacts on people today. Many of my Aboriginal constituents were taken from their parents. One-third of Aboriginal people living in New South Wales today were taken from their families as children. As the Premier of New South Wales said on Saturday, ‘We, the living, still have much to apologise for, to the living.’

It is a good place to remember our history of dispossession and violence, but it is also the right place to look for success stories. Aboriginal people living in my electorate have taken the future of their communities into their own hands. The Aboriginal Medical Service based in Redfern provides an excellent service to local people. There is an Aboriginal kindergarten, called Murawina, and a home for old men, called the Max Silva centre. All of these are run by Aboriginal people for Aboriginal people.

The Tribal Warrior, the boat that delivered the documents of reconciliation to Glen Kelly, is the brainchild of one of my constituents, Daniel, who lives on the block at Redfern. Daniel has never received any government funding for this project, and so far he has helped four young Aboriginal men to receive their boat licences. All of those men have since been employed in the industry. He now has a second lot of trainees on the boat, and all of those young men have good prospects of getting jobs when their apprenticeships are complete.

As well as the many success stories to come out of the Aboriginal communities in Sydney, there is a strong movement for reconciliation. It is the home of a number of reconciliation groups, including the Eastern Suburbs Reconciliation Group, which has
huge meetings which my colleague the shadow minister for Aboriginal affairs has spoken at, at Paddington Town Hall. I think we had 800 people at the last meeting. Sydney is also the home of the organisers of the sea of hands, that fantastic display that has travelled around the country.

While I am always proud to represent the people of Sydney, Corroboree 2000 and the bridge walk last Sunday were absolute highlights for me. The Council for Aboriginal Reconciliation, set up by Robert Tickner in 1991, must be commended for the organisation of the weekend’s events. The only sad note for me was that the document presented on Saturday was a document towards reconciliation, not of reconciliation. Until this country has a Prime Minister big enough to show real leadership and make peace with Aboriginal Australians, the journey will continue. (Time expired)

Mr ANDERSON (Gwydir—Deputy Prime Minister) (4.12 p.m.)—I would like to begin by saying that I went to school, a local school, with Aboriginal children. I represent very large numbers of Aboriginal people, I know quite a number of Aboriginal people well, and I am extremely interested in their views, in their hopes and in their aspirations. I know that we need to not just improve their material lot in life—housing, education, employment and health—but also address those very real issues that might be described as respect for, and acceptance of, one another in their communities, where people live side by side, where adults have to make communities work, and where children play side by side.

Out of that I would conclude this: I know that reconciliation is a vital national goal for Australia. But I also know that I am, quite frankly, disgusted to find that people on my side of politics, and other members of the Australian public who are committed to reconciliation but have a different set of views on how we might best get there, find themselves subjected to the most intolerant and vindictive vilification. Robust disagreement and robust debate about how we are going to achieve the ends that we all think matter is one matter, but the sort of angry and personal vilification that we see directed from some quarters smacks, to my way of thinking, of anything but the sort of grace and goodwill that will restore relationships and heal the wounds.

I have to say with some regret that the personalisation of these attacks on the Prime Minister by the previous speaker falls precisely into this regrettable and unfortunate category.

Mr Beazley—It wasn’t violent.

Mr ANDERSON—It was not violent, but it vilified. It sought to say that, because there is a difference of views, the Prime Minister and the government are not committed to reconciliation. That is grossly unreasonable and it smacks of what can only be described as a real sense of politicisation of some very important matters.

The fact is that, not so very long ago in this House, a motion was passed and agreed to by all members of this place in which this House, very importantly, in paragraph (f):

expresses 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 those practices.

I believe that is a profound and far-reaching statement. I actually think it addresses issues that go beyond the simple matter of those children who were, for whatever reason, removed from their families. As I commented then, it represented:

... a new and more constructive recognition—perhaps rather naively I said at that time—by all sides, of the need to move away from our rigidly held views and our inclination to stand off, and move to a more sensible accommodation of the reality that there are matters that we deeply regret.

Because we do. I also pointed out that there are achievements of which we are all enormously and justifiably proud and commented:

In reality, there are those on all sides who have behaved appallingly, and we want to openly acknowledge that and express our sincere regrets.

I am quoting my own words:

However, there are those on all sides who have behaved nobly, courageously and magnificently, and we want to draw hope for the future from the example that they have set.
And I made the point in reference to my own party, but I know I speak for the government when I say this:

The National Party does not believe that people should personally apologise for or be held accountable for actions and injustices that they themselves are not responsible for.

I made another comment that I think is still relevant:

Nor does the party believe that we should too hastily judge those who pursued those policies which we now condemn with—may I say with a certain inappropriate smugness—the benefit of hindsight. We now see that some of the policies caused great pain and suffering to many people. Yet, for example in the case of the separation of children, they were often motivated by good intentions on the part of individuals, organisations and governments. Just as we are not personally responsible, we cannot walk in the shoes of those who sought to grapple with seemingly intractable social problems and who did so in the context of the values and beliefs of their time.

That does not mean that we should fail to express our deep and sincere regret for the hurt and trauma of many Aboriginal people ...

We profoundly regret the actions of the past, and we regret that many of our forefathers held them. But I think that the glossing over of that very significant statement in this place by those who apparently have other agendas to pursue reflects very poorly on them. The Prime Minister introduced that motion to this place. It was supported, it provides a springboard from which we can move forward, but I can only conclude that there are some people who do not want to move forward and who, for whatever their own purposes are, seek to keep us locked into the past, seek to continue to rake over the past and seek to continue to keep us beholden to the approach that we cannot move forward.

We now find that the idea—not a new idea—of a treaty is suddenly thrust again onto the national stage. I have to say that we do not support it. The government does not support this approach. We face enough division now, including, I have to say, on many of these issues, among Aboriginal people themselves. As the member for Warringah put it this morning—and I think appropriately—this will entrench division rather than help ease it. The idea—and this has been touched on by the previous minister speaking for this side of the House—that we formalise a recognition of division, that we are somehow two nations and that we are a nation of the indigenous and the non-indigenous is, after all, what Mr Clarke, the proponent of this idea, seems to be suggesting we ought to recognise. He says we are two nations—that is what he said. The proponent of this idea has made it plain that he believes we need to recognise we are two nations. I have regard for Mr Clarke, but I do not believe that Australians would find that acceptable, and I do not believe many Aboriginal people would either. I do not believe that that idea will win acceptance in the Australian community, and I can say most assuredly that I know, from the conversations I have had with some of the indigenous people in my own electorate, that it will not win universal acclaim among them either. It is not what they would see as a wise and sensible way to take forward the national objectives of improving relationships between indigenous and non-indigenous people.

With this vaguely defined idea floating around of a treaty, it is worth exploring some of the reasons why it is likely to be divisive. It would, presumably, seek—as people brought their contributions to the table of what it ought to involve—a range of measures. There would no doubt be constitutional arrangements that they would seek to change. There would no doubt be legislative amendments. There would probably be both. And then the question would be whether the amendments would guarantee places for Aboriginal people in our parliament. Would they relate to monetary compensation for past trauma and injustice? If that were to be the case, how much and to whom would it be paid? Would it involve an extension of the debate about land rights and things such as self-government and recognition of customary law? I do not believe it would be helpful to pursue those things in the form of a treaty in this nation.

I and the government believe that, far from advancing reconciliation, pursuing a treaty would harm the process. There are many real issues that need to be pursued, and they need to be pursued in hard ways. Over the next
few weeks, I will be attending, for example, just to mention a few, the unveiling of a memorial at Myall Creek to commemorate the massacre that took place there in the 1830s, and that will be an important event; the Rock Eisteddfod in Moree; and the unveiling of a flag in Moree which features Aboriginal art and the slogan ‘Leading Moree—leading the way in reconciliation’. The Aboriginal Employment Strategy in Moree is producing real results—not just those material outcomes I talked about but improved relationships within the community. This is a process that will proceed bit by bit but which will not be achieved overnight. (Time expired)

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

COMMITTEES

Selection Committee

Mr NEHL (Cowper) (4.22 p.m.)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 5 June 2000. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 5 June 2000. The order of precedence and the allotments of time determined by the Committee are shown in the list.

COMMITTEE AND DELEGATION REPORTS

Presentation and statements

Orders of the day

1 TREATIES—JOINT STANDING COMMITTEE: Report 33 — Social Security Agreement with Italy and New Zealand.

The Committee determined that all statements conclude by 1.00 pm.

Speech time limits —

Each Member speaking — 5 minutes.

[proposed Members speaking = 6 x 5 mins].


The Committee determined that all statements on the report conclude by 1.30 pm.

Speech time limits —

First 2 Members speaking — 10 minutes each.

Other Members — 5 minutes each.

[proposed Members speaking = 2 x 10 mins, 2 x 5 mins].

PRIVATE MEMBERS’ BUSINESS

Order of precedence

Notices

1 Mr Fitzgibbon: To present a bill for an act to amend the Trade Practices Act 1974 — (Trade Practices Amendment (Unconscionable Conduct – Saving of State and Territory Laws) Bill 2000). Presenter may speak for a period not exceeding 15 minutes —pursuant to sessional order 104A.

2 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. (Notice given 29 May 2000.)

Time allotted — 30 minutes.

Speech time limits —

Mover of motion — 10 minutes.

First Government Member speaking — 10 minutes.

Other Members — 5 minutes each.

[proposed Members speaking = 2 x 10 mins, 2 x 5 mins].

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

3 Mrs Moylan: To move—

That this House:
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(1) condemns the Zimbabwe Government for allowing the current grave situation to continue in which;
   (a) serious economic difficulties are leading to considerable unrest; and
   (b) agricultural production has been jeopardised by the invasion of commercial farms by squatters and the squatters’ actions have been ruled as illegal by the High Court of Zimbabwe;

(2) supports the Australian and British Governments’ strongly expressed concerns about events in Zimbabwe; and

(3) calls on the Government of Zimbabwe to restore the rule of law and hold free and fair elections at the earliest possible date.

(Notice given 11 May 2000; amended 29 May 2000.)

Time allotted — remaining private Members’ business time.

Speech time limits —
Mover of motion — 10 minutes.
First Opposition Member speaking — 10 minutes.
Other Members — 5 minutes each.
[proposed Members speaking = 2 x 10 mins, 2 x 5 mins].

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

TRANSPORT LEGISLATION AMENDMENT BILL 2000

First Reading
Bill presented by Mr Bruce Scott, for Mr Anderson, and read a first time.

Second Reading

Mr BRUCE SCOTT (Maranoa—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (4.23 p.m.)—I move:

That the bill be now read a second time.

The Transport Legislation Amendment Bill 2000 incorporates amendments relating to the Australian National Railways Commission, AN, and the Transport and Communications Legislation Amendment Act (No.2) 1992. These amendments are currently being considered as part of the Transport and Territories Legislation Amendment Bill 1999, which is now before the Senate. While the House has passed that bill and the AN amendments were moved as government amendments in the Senate, it appears that provisions unrelated to those contained in this bill will delay its passage.

It is important that both the AN and maritime amendments are allowed to proceed in a timely fashion to enable the wind-up of AN to be finalised by 30 June 2000 and for Australia to meet its commitments under the 1998 Protocol on Environment Protection to the Antarctic Treaty. As a consequence of the unrelated difficulties, the AN and maritime amendments are now being reintroduced as part of the Transport Legislation Amendment Bill 2000. I note that the opposition previously indicated that it would support these amendments when they were initially debated in the Senate as part of the Transport and Territories Legislation Amendment Bill 1999.

The sale of the three operating businesses of AN in 1997 constituted a significant milestone in the government’s rail reform agenda. Improving the performance of Australia’s railways will contribute to the competitiveness of the nation’s businesses and the entire economy. Accordingly, the government places a high priority on achieving reform in this important area.

The sound performance of the former AN businesses in private ownership clearly supports the government’s view that the Commonwealth should not be involved in the operation of railway businesses. The passenger operator has extended the historic Ghan services between Adelaide and Alice Springs to Melbourne and Sydney as part of a strategy to target important international tourist markets. The two freight businesses have achieved profitability for the first time in many years and have attracted significant new business. These results have only been achievable through the provision of improved service to customers.

The positive performance by these companies is of particular benefit to South Australia and Tasmania. As rail freight becomes a viable alternative through competitive prices and service quality, it will facilitate and enhance the performance of other businesses. Furthermore, the impressive results achieved
will contribute to the security of long-term employment in the rail industry.

The sale of the AN businesses was facilitated by the Australian National Railways Commission Sale Act 1997, the sale act, which commenced on 30 June 1997. Following sale, AN was reduced to a non-operating entity charged with managing any residual functions, including the realisation of remaining assets and liabilities, and resolving outstanding litigation and disputes prior to abolition.

Proclamation of the remaining provisions of the sale act will enable the residual AN entity to be abolished as well as the repeal or amendment of a number of acts relating to the previous operations of AN. All conditions specified in the sale act which are to be met prior to proclamation have been satisfied. It is now important to abolish the residual entity to remove the administrative burden and cost currently being borne by the Commonwealth.

Two issues of a technical nature have been identified which need to be addressed before the remaining provisions of the sale act can be proclaimed. The amendments being proposed will correct an inaccurate citing of the Port Augusta to Whyalla Railway Act 1970. It will also enable the preservation of a technically robust process for registration of title for land already legally transferred from AN to the Australian Rail Track Corporation. While the proposed amendment is of a technical nature, it is essential to enable the wind-up of AN, therefore reducing the ongoing administrative costs to the Commonwealth.

In addition, the commencement provision of the Transport and Communications Legislation Amendment Act (No.2) 1992 is being amended to overcome a technical difficulty that prevents a proclamation being made for the commencement of amendments to the Protection of the Sea (Prevention of Pollution from Ships) Act 1983. Those amendments relate to the discharge of sewage and disposal of garbage from ships in the Antarctic area.

Currently, the commencement provision provides that the relevant provisions commence on a date to be fixed by proclamation, being the day on which the Protocol on Environment Protection to the Antarctic Treaty enters into force. The protocol entered into force on 14 January 1998. Insufficient notice of the entering into force of the protocol was provided to enable a proclamation to be made by that date. The amendment removes references to the protocol. It is anticipated that proclamation will be made soon after this bill receives royal assent. I present the explanatory memorandum.

Debate (on motion by Mr Brereton) adjourned.

APPROPRIATION BILL (No. 1) 2000-2001

Second Reading

Debate resumed from 29 May, on motion by Mr Costello:

That the bill be now read a second time.

upon which Mr Tanner moved by way of amendment:

That all words after “That” be omitted with a view to substituting the following words: “whilst not 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".
Mrs ELSON (Forde) (4.31 p.m.)—I would like to bring to the attention of the House that this budget reduces taxes. The East Timor levy was scrapped as it was no longer necessary due to the strong growth in the Australian economy. This is a very clear example of the government’s approach. We will not be taxing any Australian just for the sake of it. We are committed to reducing the overall tax burden, in sharp contrast to Labor’s record. They promised not to increase taxes during the 1993 election and then increased taxes by more than $10 million after they were elected.

There is an old saying that you should judge someone by what they do and not by what they say. This is never so true than when it comes to the Labor Party. While Labor are in opposition, they will say and do anything to get re-elected. They have the arrogance to think that the Australian public will not remember their appalling record in office. Just as this budget underscored our responsible and caring approach to government, the Leader of the Opposition’s budget reply underscored Labor’s approach. It was very big on rhetoric but devoid of any policy solution whatsoever. It was what we have come to expect from the opposition: unproductive negativity.

They have the gall to complain that the budget surplus should have been bigger when they failed to deliver any surplus at any of their five budgets. They have the audacity to claim that they are opposed to the new tax system, even though they admitted they will keep the GST if they are elected. They have promised some dodgy roll-back, of course, but will not outline what it will be or how it will be funded. Labor cannot—or, rather, will not—explain how they could possibly increase funding for a whole range of social programs that they constantly shed crocodile tears about while, at the same time, maintaining a budget surplus. Labor’s idea of increasing our social programs means more money for special interest groups and a bigger government bureaucracy. Make no mistake about it: they are not interested in supporting practical programs in communities where they are most needed. Throughout their term in office, they felt that throwing money at social problems and hoping they would go away was the way to go, and they failed miserably. They talk about this government as heartless, yet on just about every social measure we have succeeded where they failed.

Unemployment is now down to just 6.8 per cent, when it reached 11.2 per cent under Labor. There are 700,000 more Australians with a job now than there were under Labor. There are more people at universities, there are record levels of funding for schools and there are more people—both adults and children—equipped with basic literacy and numeracy skills. More children are protected from childhood diseases now, after Labor had let immunisation levels in this country fall below those for Third World countries. Our Job Network program is a more than 50 per cent improvement on the old CES in terms of outcomes—which, in basic terms, means it helps more people find jobs. Our Work for the Dole program is improving and providing real hope, experience and opportunities for young job seekers, whom Labor left to languish on the unemployment queues.

The list goes on and on, and on 1 July Australians will get the biggest cuts in personal income taxes in the history of this nation. Australia will finally have a modern tax system that will take us forward rather than hold us back. Every step of the way, Labor have been carping and complaining about every positive thing that this government have achieved, talking down Australia and hoping that we will forget their record in office. When it comes time to make a choice, the people of Australia will judge Labor not on what they say but on what they do as evidenced by their track record—$80 billion in debt in just five years, record unemployment, interest rates hitting 17 per cent and record bankruptcies. Our budget approach means that more and more sensible social programs can be funded now and in the future as we continue to pay back Labor’s debt and to ensure economic growth.

This is the whole purpose of a strong economy—so that people of Australia can reap the benefits in the future. There is no inherent pleasure in economic statistics or figures, however good they may be. The pur-
pose is to ensure a better deal for all Australians, to keep interest rates down as low as possible and to have enough funds to be able to spend more money on hospitals and schools and to provide assistance where it is needed most. This is what drives the Howard government. The simple fact is that economic responsibility is at the heart of social and community benefit. That is what the budget is about and what our government is all about. I commend the Appropriation Bill (No. 1) 2000-2001 to the House, and I am proud to be a part of the Howard government that continues to govern in the interests of all Australians.

Mr ALBANESE (Grayndler) (4.37 p.m.) — I am pleased to speak on the Appropriation Bill (No. 1) 2000-2001, and I will actually speak for 20 minutes about what is wrong with this budget. Perhaps it says a lot about the budget that the member for Forde was not able to find 20 minutes worth of positive things to say about her own government’s program in the coming year. This failure to defend the government’s record is not surprising because it is indefensible.

This government is a government obsessed. It is a government that cannot see beyond the implementation of its beloved goods and services tax; a government so arrogant that any questioning or criticism of the tax by ordinary Australians is seen as a result of ill-informed opinion or Labor scaremongering; a government which steadfastly refused to meet with representatives of groups, such as residents of mobile home parks, because it does not like to hear what they have to say. This is a government which prioritises spending — so far we have found — at least $410 million on advertising for its beloved GST whilst only spending one-sixth of that on new education funding for the nation’s schools, universities and TAFEs; a government that has, since coming to office, cut over $5 billion in funding for social services, abolished the CES, gutted the Public Service, closed Medicare offices all around the country, closed Taxation offices all around the country, attacked child care and aged care, cut billions of dollars from education and training, and cut further billions from public hospitals and our health system.

This is a government that has lost its way. Its obsession with taxation reform and the implementation of the $30 billion GST has meant it has forgotten what good government is actually about. It has forgotten, especially in our new globalised economy, that good government is about providing equal opportunity for all of a nation’s citizens. It is about making sure that every Australian has equal access to good quality housing, education and health care. It is about ensuring, in a country as rich and prosperous as ours, with our natural resources as our great advantage, that we do everything possible to eliminate homelessness, poverty and hunger. Good government is not about helping the rich with tax cuts. It is not about treating social security recipients like potential criminals every time they fill out their claim form. And it is not about an obsession with tax reform so strong that all other areas of government responsibility are simply forgotten.

The Treasurer did not mention housing or homelessness in his speech about the budget some three weeks ago, but I intend to concentrate my remarks in my contribution to this debate on the area of housing. It is not surprising that the Treasurer did not mention housing or homelessness because he would have had nothing to say. The plight of the average Australian family is not something too close to the Treasurer’s heart. Senator Newman, the Minister for Family and Community Services, likewise did not mention housing in her media releases about the budget. This is perhaps more astonishing, given that housing and homelessness are part of her portfolio responsibilities. That has never bothered her much before, so it is no surprise that she once again had nothing to say this year: the minister for housing had nothing to say about housing on the night of a federal budget, not a word.

For the housing sector in Australia, this budget was enormously significant. It marked, of course, the beginning of the GST and the impact this tax will have on the housing construction industry in Australia. In its submission to the Senate inquiry into the GST last year, the Urban Development Institute of Australia pointed out that for the housing construction industry the GST is a
tax on a tax. Most of the taxes that affect the housing industry will not be removed by the government’s tax reform package. Stamp duty and land tax applied by the states will remain. The GST will be a tax on a tax for all of these taxes and government charges. In some cases, $20,000 in government taxes and charges on a subdivision will become $22,000 under the GST.

There is little wholesale sales tax on new homes as it stands. Therefore, the loss of wholesale sales taxes means very little to the housing industry in terms of benefit. The implementation of a GST on new homes but not established homes will lead to pricing disparity in the market that will depress demand for new homes and land. The problem is that it is new homes that are often the most affordable for families starting out. These more accessible house and land packages will be hit hard by the GST.

Last year most economic experts, including the Commonwealth Bank, Bankers Trust, BIS Shrapnel and IPC, forecast a downturn in the housing industry after 1 July 2000. There is no doubt that this is going to occur. The ABS recently released statistics on building approvals for March 2000. These statistics show a massive plunge of 14.4 per cent for total approvals compared to the previous month—I repeat: 14.4 per cent in one month. The budget overview forecasts for 2000-01 show that this decline will continue, with a forecast downturn in investment in private dwellings of three per cent and business investment in building and structures of nine per cent. This artificially created bust will see small builders bearing the brunt of the GST nightmare. Many of these builders operate on a month to month basis. Any protracted slowdown in building could see many of them simply go out of business.

But it is not just small builders who have been caught in the GST trap. Two major Victorian home building companies have run into major financial problems, due in large part to the GST. As my colleague the member for Fraser, Bob McMullan, has pointed out, Eastern Park Developments’ managing director, Peter Neagoe, is reported to have attributed his company’s financial problems to the rush to beat the GST. This has caused delays in building approvals and supplies, which is in turn causing cash flow problems. The hundreds of first home owners caught up in this nightmare will not even get access to the miserable $7,000 First Home Owners Scheme grant that is supposed to compensate them for the GST, simply because the program does not start until 1 July. That was the outlook in the home building sector when the government brought down the budget—and the budget has done nothing to fix the problems. The effect on unemployment in the sector will be dramatic. The housing sector is recognised as having one of the greatest multiplier effects in terms of employment of any sector.

Strata title schemes and bodies corporate will also find themselves worse off after 1 July. Both will be forced to add the GST to their levies, if the amount contributed is above $50,000. This will impact on many of the approximately 1.1 million unit owners in Australia, of whom 286,000 are aged over 65. Strata schemes will be forced to levy a GST, track the GST charged on goods and services purchased and then fight their way through the paperwork to claim tax credits. Not all strata schemes are large organisations and some will miss out on the GST. This is bound to have an effect on the financial security of bodies corporate because it discourages savings for future maintenance. This is because the GST is levied at the time body corporate fees are paid, yet the tax credits for GST charged on goods and services can only be claimed when the work is done—which may be some years down the track.

But for those Australians who are particularly hurting, the news from the budget is even worse. The government, particularly the Minister for Community Services, the member for Richmond, has made much fuss about the supposed increase in funds for the Supported Accommodation Assistance Program made under this year’s budget. However, this self-praise may seem a little self-serving once the actual detail of this supposed increase is revealed. Anyone glancing through last year’s budget papers at the allocation of funds for SAAP would notice a rather large inconsistency with this year’s budget papers. Just last year, the government was predicting
an increase of around $8 million to $9 million a year in order to fund award increases for employees of SAAP services. The funding was not about new initiatives, new beds or new services.

In May last year the government confidently predicted that, in the financial year 2002-03, the Commonwealth government would fund SAAP services to the tune of $143,978 million; this year the government is predicting that it will spend $164,295 million on SAAP in that same year. But, before Australia’s homeless start thinking that this extra funding will go to provide them with beds and with roofs above their heads, and before Australia’s homeless organisations start to think of new initiatives and new services to spend this new money on, I will let the parliament in on a secret. The extra funding that has suddenly been allocated by the government to SAAP is not funding that the government planned for, and it is certainly not funding that the government wanted to provide. The extra $75 million over five years was part of the government’s deal with the Democrats and is purely about compensation for the GST—nothing more.

There has been no announcement of new services and no announcement of new beds. When asked, departmental representatives have talked about the money being ‘absorbed’ by new directions in programs. Presumably this means that the money will be absorbed by increased running costs of various programs because of the GST. Some of it may also be tied up with the award increases to which I referred earlier. It is money that the government handed over, kicking and screaming, and it is money that is meant to compensate for the impact of the GST. It is not increased funding for the homeless. You see, the government is not that keen on committing money to alleviate homelessness.

Last Thursday the minister unveiled the long awaited National Homelessness Strategy—the strategy that it had taken years to put together. But, as far as government strategies go, it was unique in that it was a strategy that did not pledge a single cent of new funding to alleviate homelessness. If it had not been so rude, perhaps this fact would have got more coverage. But last Thursday, the press gallery thought there was nothing new in this package, so that fact got very little reportage—this at a time of increased reports of there being over 100,000 homeless Australians and an increase in homelessness particularly amongst families. It was another example of this government’s ‘all talk, no funding’ approach to the issue of homelessness.

The minister loves to reannounce old programs and old funding commitments. She announced the Reconnect Program for youth homelessness five times in one year—not a bad effort really. The National Homelessness Strategy was no different. The ‘prevention’ section of the government’s discussion paper simply listed programs that had already been announced and for which funding had already been allocated in one of the last two budgets. Not one new initiative was announced, and not one extra cent of funding was allocated. The government employed all the rhetoric available at its disposal, talking of the need for a ‘holistic approach’, a ‘comprehensive framework’ and improving ‘linkages between agencies’. But, in the context of no extra funding, this is simply idle chatter. It means nothing.

The government is clearly not interested in solutions; it is interested in appearances. The minister’s paper is a discussion paper—that is all. As it says, the paper:

... aims to provide the platform for community consultation. A series of community consultations will soon be held across Australia ...

What for? There was a national homelessness conference in Melbourne last year that went for a week. It was addressed by the minister and me, and by other people from the sector. The community are sick of consultation. They know what the issues are. It has got to the point where, in my electorate in Lewisham, I went to the launch of the St Vincent de Paul strategy on homelessness. That actually had some real ideas. It was launched by no greater figure—who has nothing to do with the Labor Party—than General Peter Cosgrove. Senior Australians in the community know what is going on. They know the eyes of the world will be upon us, particularly while the Olympics are being held.
Last year, the SAAP underwent its third extensive national evaluation process. Consultations were undertaken all over the nation, including discussions with homeless people. The evaluation showed growing demand for homelessness services, and it had recommendations about how the government could deal with this demand. Those active in the sector already know what needs to be done. Australia’s homeless need action. The SAAP national data collection figures released this year estimated that 116,000 people had been turned away from SAAP services in 1998-99. That is 116,000 people who were told, ‘Sorry, you won’t have a roof over your head tonight.’

Homelessness in Australia is growing to crisis proportions, and last Thursday was an attempt by this government to provide leadership. But it is too obsessed with the GST to do that. How obsessed is it? It is so obsessed that, despite enormous opposition from residential park tenants, despite the fact that at least one member of the government’s front bench will lose his seat over this issue at the next election, it still insists that the GST be charged on the site fees of permanent tenants of residential home parks and on boarding house tenants. What makes this absolutely extraordinary is that, on page 16 of the government’s own National Homelessness Strategy, it identifies ‘families living in caravans and hostels; and people living in boarding houses’ as groups at ‘high risk of homelessness’.

We asked the Minister for Community Services today in question time about this matter, and the member for Richmond—for the moment—did not mention the GST in his response. He did not mention boarding house tenants and he did not mention permanent park residents. But, the day before the National Homelessness Strategy was announced, I debated the member for Richmond in his electorate. In his electorate he says the GST is bad. In his electorate he says it is unfair. In his electorate he says he is making representations to the Prime Minister. But, when he gets into parliament, this coward defends this disgraceful tax on the most vulnerable people in our community who are, in his department’s own words, at greatest risk of homelessness. Where do you go after a boarding house? Where do you go, if you are at that level of crisis accommodation? You go on to the street. The government will hit them with a GST, but they will not hit spivs renting houses in Kirribilli with harbour views for thousands of dollars a week. No, that is GST free. The only tenants in Australia who will pay the GST directly on their rent after 1 July are these people, and the National Homelessness Strategy makes it very clear how obscene this government decision is.

Base funding grants to the states under the current Commonwealth-State Housing Agreement are being reduced over the next four years from $762 million to $734 million. Funding levels for the Aboriginal rental housing program, the crisis accommodation program and the community housing program have been maintained at the 1996 levels. For the economic illiterates opposite, that means that they are being cut in real terms—so much for reconciliation, and so much for the rhetoric that we heard in the previous debate. This government is not interested in helping those people most in need. It is just interested in its ideological GST tax. (Time expired)

Mr BROUGH (Longman—Parliamentary Secretary to the Minister for Employment, Workplace Relations and Small Business) (4.57 p.m.)—I want to contain my remarks predominantly today to the electorate of Longman, which is based on Caboolture and the Glasshouse Mountains. When a budget is brought down, you can look at the big picture. You can actually set the parameters which allow business to grow and people to have lower taxes, and for the provision of additional aged care places and for the provision of better health care services. I note the presence at the table today of the Minister for Health and Aged Care, and he should be congratulated on the fantastic measures in this budget which look after regional and rural Australia to ensure that the basic health needs of those people have been taken into account in such a substantial way really for the very first time, such as having a specialist go to their local area. This is not a Third World country that we live in, and such services
should be the basic right of every Australian. I am very pleased to see that this government has in a very strong and forceful manner ensured that that will go a long way to redressing the shortfall that has been in many regional and rural areas for such a long time.

Of course there have been many positives like Work for the Dole, including extra places for that. That has been widely accepted in Australia as being a fantastic program which has delivered hope and jobs to young people as well as built better and stronger communities. Things like the Green Corps and such measures have gone a long way to ensuring that the community we live in has continued to strengthen over the past five years. But getting the macros right and ensuring that interest rates remain low, that unemployment continues to fall, that investment grows and that inflation is kept in check can only do so much when it comes to local areas. They also require local people on the ground and state and local governments to participate in ensuring that these communities are also strengthened.

There are three issues that affect my electorate, and I would like to go into them in some depth today. The first one is of national significance—that is, the dairy deregulation which occurs on 1 July. This is going to impact very dramatically on my electorate throughout the entire area. Even though only about 50 farmers are directly involved in this, when you look at the flow-on effect, what they bring into the economy, it is about a 2.5 per cent multiplier. So every small shopkeeper, regardless of whether they are in retail or wholesale, and every service provider, veterinary clinic or whatever is going to be impacted upon from 1 July as these farmers lose a great deal of income.

The federal government took a leadership role, even though this is entirely state legislation. The Victorian dairy farmers started this process when they decided to deregulate—and I make it clear in this chamber that 87 per cent of Victorian farmers voted to deregulate the industry because, simply put, they believe they can deliver dairy products across the border into other states far more economically and therefore get a bigger profit margin than they currently do selling in Victoria. The Kennett and now the Bracks government took the decision to support their farmers in allowing this to occur. Today there has been a demonstration in George Street in front of the Queensland state parliament by an estimated 1,000 farmers from throughout Queensland. They were addressed, I believe, by the Leader of the Opposition, Mr Borbidge, who told them he would not support the deregulation bill before the house until such time as the state Labor government, under Mr Beattie, dug into its pocket and took out some of the $90-odd million that his Treasurer, Mr Hamill, in a press release last year claimed the state would receive as a direct response to dairy deregulation and handed it over to the farmers who were in need.

There are a number of precedents for such a move. In Western Australia, the Liberal government added an additional $28 million worth of support to ensure that the impact of deregulation in their dairy industry could be offset by using that money in conjunction with the $45 million being made available from the federal government to produce local job opportunities and allow the dairy industry to continue to thrive in these regions. Unfortunately, Mr Beattie—after I have called for it on many occasions in this place, in public and in Queensland—still refuses. So today when Mr Borbidge stood up in front of the farmers and said that he would not support the deregulation bill until such time as the state government committed some direct funding to supporting their farmers, the farmers were then invited into Parliament House to meet Mr Beattie. I am told by the Courier-Mail that the result of that meeting was quite clear. Mr Beattie informed them that they either sign up or they would never receive the $220 million to come from the federal deregulation funding and the restructure package—that they can either go cold turkey and receive nothing, in which case we will see many farm families, five generations on the farm, decimated overnight, or receive $120,000-odd and see them last for another 12 months to two years before they are then decimated. He did not stand ready to listen to them and say, ‘We have a responsibility to these rural communities.’ He deserted them in their hour of need. I implore Mr Beattie
and Mr Palaszczuk, the Queensland minister for agriculture, to rethink this position in the best interests of these rural communities.

Mr Sidebottom—If it were not for him, you would not have your $45 million.

Mr Brough—I get an interjection that if it were not for him—‘him’ being Mr Palaszczuk no doubt—there would be no $45 million. You are a fool in the extreme. Mr Palaszczuk came down here and put up a proposal which was totally unworkable, which would not have resulted in one cent being delivered to these farmers. The fact that he and Mr Hamill, his Treasurer, have put out a press release saying that they have $95 million and they will not put one cent into it shows how heartless they really are. They do not have any money. One must wonder whether the state Labor government is broke because there can be no other good reason why they would not support the regional and rural communities when they purport to do so.

So right now we are seeing the dairy industry in a great deal of turmoil. In their hour of need they cannot turn to their state government for support. They cannot see any light at the end of the tunnel. They are coming back to us in the federal sphere asking for assistance. The real anger should be directed at their brethren, if you like, the Victorian dairy farmers—87 per cent of whom have said, ‘Blow the other dairy farmers in Australia. We are going to sell across the border, and if that means decimation to their industry that is too bad.’ It is a very important issue for our farmers in Queensland, and I hope we will see the Queensland state government take some more serious action in relation to it. It will impact dramatically on Conondale, Witta, Maleny, Peachester, Beerwah, Woodford and Wamuran, just to name several communities my area.

The second issue I would like to deal with also unfortunately crosses the boundary between state and federal jurisdiction, and that is the issue of regional forestry agreements. In south-east Queensland there is no regional forestry agreement simply because the state government was hell-bent on ensuring that 100,000 hectares of prime timber land was going to be decimated. The environmental impact would be long lasting in this region because of the government’s bloody-minded attempts to look after the big end of town and, in particular, Boral, who were reported to have received something in the order of $14 million to $17 million to close up mills and then took that money and invested it in Tasmania with the jobs gone from our regions.

The other day I invited Minister Tuckey to a meeting at Woodford where he sat down with the millers. The millers put it to us very succinctly. They said: ‘What options do we have? We have been blackmailed by the Beattie government. They have told us to sign and receive a subsidy for the transport so that we can transport wood in from afar for three years or we can go cold turkey as well.’ Cold turkey simply means that they have no product. So the millers, who have been looking after their timber industry for many years and have been harvesting in a responsible manner, creating job opportunities in south-east Queensland, would simply have no product in order to supply their mills and hence the manufacturers in that region. So Mr Beattie says to take it or leave it: have three years worth of subsidised transport, in which case at that time the cost of transporting the wood to the mills would be greater than the timber itself, or go without today. The fact is that these are jobs in local communities. They are not some flashy project such as sponsoring an Indi car driver at $300,000, which is nothing more than a total waste of taxpayers’ money in Queensland, to watch a car flash by when the timber millers and the dairy farmers are seeing their very livelihoods flash by because the state government will not support them.

The unfortunate reality is that these people believe they have nowhere to turn because they do not have a large voice. They have only limited numbers, but we are going to feel the ramifications throughout Queensland for decades to come as these industries are lost. The unfortunate reality is that, whilst unemployment has been coming down throughout Australia—in fact, in the last 12 months it has dropped from 7.4 per cent to 6.8 per cent, a drop of 0.6 of a per cent across the nation—Queensland, which is supposed
to be the job generator, is stuck fast on eight per cent. We are flat-lining in that area. We are dead in the water. And why? Not because of the GST—if that were the case we would see it across the country—as Mr Beattie bleats, but because he and his government have deserted the rural communities and the small communities, not way out in the remote regions but in the regions of and just outside the suburbs in the electorates of Longman, Blair and Forde. These people deserve better.

On a more positive note, I would like now to turn my attention to what I believe can actually be a great generator of jobs in the electorate of Longman and something which I am fully supporting. Some time ago, the Pro-Vice-Chancellor from QUT, Mr Adam Shoemaker, came to me with a proposal to open a QUT campus in Caboolture. Caboolture, for those who do not know, is situated about halfway between the Sunshine Coast, Maroochydore and Brisbane. It is one of the fastest growing areas in Australia, year in, year out. It now has a population of approximately 110,000 people. That area has one of the lowest levels of people with tertiary education, and that is an unfortunate reality in the region. One of the reasons is that it is hard for people within this region to obtain university degrees, not because they have lower education standards but because it is difficult to get to the campuses. There is the Sunshine Coast campus and QUT has one in Carseldine. As far as distance goes, they are only 50-odd kilometres away in each direction, but the unfortunate reality is that it involves train, a bus and a taxi to get there, so it is very difficult for people to actually reach the campuses in safety.

When QUT came to me and said, ‘We would like to establish a campus here in Caboolture,’ I looked at the proposal, looked at what they had put together and embraced it 100 per cent. Unlike many campuses in this country, this particular one is going to be based 50 metres from a transport hub. It will be 50 metres from the Caboolture railway station, right in the middle of the Caboolture CBD. Within a short radius, there are approximately 10,000 students in high schools from Kilcoy, Beerwah, Morayfield, Caboolture, St Columbans, Deception Bay, Tullawong, Narangba Valley and Bribie Island. These are students who, until now, quite often did not take up a tertiary education or, if they did, dropped out within the first 12 months because parents had to juggle whether their children moved to Brisbane, or wherever the university was, to be closer to the campus. My understanding is that most students find that they have to be within about 15 kilometres of a campus. Of course, if students have to travel 50, 60 or 70 kilometres, taking a bus from Bribie Island into Caboolture, then taking a train from Caboolture down to Carseldine and then either walking or catching a cab, it is quite often dangerous late at night, and it is certainly not something that many students can actually sustain for a four- or five-year period. Moving this campus to Caboolture, I might add, has the full support of the local council led by the mayor, Mrs Joy Leishman, and their CEO, Mr Rob Noble. The council in fact is prepared to provide for this project a pristine block of land, valued at several million dollars, right in the heart of Caboolture’s CBD.

This proposal also has a number of other unique features, and that is why I am promoting it to government. It will see, probably for the first time in Australia—and one of a very limited number of opportunities so far throughout the world—a totally seamless education system delivered within an educational precinct. By forming a working group to ensure that this comes to fruition, we have involved all the high schools and the North Point TAFE college, with Mr Craig Sherrin heading that up, as partners with the QUT, the local business community and the council. They are combining as one group to build an education facility which is going to be based on specific elements of IT and business development.

We believe by doing this—now that we have seen the decimation of some industries that our state government is hell-bent on destroying—we will see other opportunities open up for young people in the region, so that they can stay and build job opportunities and commerce within the Caboolture and surrounding districts. This will not only re-vive the hub of Caboolture—the old main street, the CBD area—it will also provide a
new vitality and focus for Caboolture. Many people that used to come through the town before the Bruce Highway between Brisbane and the Sunshine Coast went through to remember Caboolture fondly as a stopover for a milkshake at a milk bar. It is now a vibrant community of 110,000 people, which can benefit tremendously from having the QUT campus there and all that it can provide. We believe job opportunities will flow directly from this by involving IT businesses coming and relocating. They will engender a work force from high school leavers, TAFE level graduates or tertiary educated graduates. They will all flow in to a workforce and add a whole new dimension within the region.

As I said, what excites me about this project is that it is built on a number of unique premises—first, its geographical location in the heart of a growing region of Australia. Secondly, it has the entire community behind it—all of its educators, tertiary, TAFE and high school, as well as business and local government. It also builds on this idea that we need to move away from a system which sees such enormously high drop-out rates. Has anyone ever considered the cost to government, to the education sector and to the individual of the very high drop-out rates of first- and second-year students attending universities? There are a lot of reasons for that. One of them is that there has not been adequate advice provided to the students back at school. When we look at that, we have to say to ourselves, ‘If students can experience university life while still at high school by having university units provided to them and delivered in their school and at the university campus, they can have a better understanding of whether this is the sort of course that they wish to go into first and foremost.’

If we are able to reduce the actual drop-out rate by even 10 per cent from the extremely high levels that it has been at traditionally throughout this country, it makes a major bottom line difference: the number of students who are completing their education do not end up with a large HECS fee for something they do not use; their university tutors’ skills and time are better utilised; and ultimately the information they gain can flow through to the business community more quickly. It is not only about the 10,000 young students who are attending the high schools currently; it is about learning for life, from 18 to 80, ensuring that people who want to can come back into the workforce. An initiative that I launched in Nambour recently was the Return to Work Program, which is targeting carers of perhaps disabled personnel within their families or even full-time carers of children who have been in unpaid work who need to gain confidence and skills. We have put money into programs to allow that to occur. This is just another logical extension of that program.

It also builds on the wonderfully successful CASILS program in the area, the Caboolture Area Schools Industry Links Scheme. This is of course an initiative of Dr David Kemp, who put so much more emphasis on vocational education, giving young people an opportunity to be in the workforce while still at school, with school based traineeships. To that end, we want to take that experience one step further, to those students who are going on to tertiary education, maybe in the field of law or medicine. Again I want to thank Minister Wooldridge because, through initiatives that he and I have developed, we hope next year to be able to have the very first pilot programs of students in rural and regional Australia doing elements of a university based medicine or health course which can lead them on into GP and allied health studies at university and to experiencing at first hand allied health and hospital environment work while still at school. We have both a private and a public hospital that have come on board in Queensland to achieve this, those being the Caboolture private and public hospitals.

These are the sorts of things, these innovative programs, that the government is tying together through this budget and through local initiatives. By their being an effective local community and by my being part of that process as their federal member, I hope to ensure the success of, and secure the future of, the Caboolture region as we move such important industries as the dairy and timber industries into new, innovative IT industries. I commend this budget to the House and I will ensure that I will continue to work with
our local community to build jobs in the Can-
booture region. (Time expired)

Mr SIDEBOTTOM (Braddon) (5.17 p.m.)—I think there is fair consensus to say that the Treasurer’s fifth budget was bland in both delivery and content. In terms of regional and rural Australia, it was a real fizzer. I think there was a general expectation that the government had finally woken up to some of the needs and aspirations of those living in regional Australia; but, alas, it was a budget of blown opportunities. It is fair to say that it is a GST budget—nothing more and nothing less—completely overshadowed by the ideology of this Prime Minister obsessed with the goods and services tax. Well, he is about to get his way. Confusion and uncertainty reign over the new $30 billion tax his government is about to inflict on the households of ordinary Australians.

The recent gaffe on national news by a senior government tax adviser only reinforced the notion of chaos surrounding the GST. Tongue-in-cheek or not, Chris Jordan’s comments are either a subliminal death wish or indeed a nightmare in waiting. Nightly on television, this government is unashamedly bombarding its way into homes across the country, with $36 million splurged on its latest GST propaganda. I mention this because, like many of my colleagues representing regional areas, I am left to ponder how the money from its taxpayer funded advertising campaign could have been better spent.

That this government should be spending $410 million plus promoting its GST is scandalous. For that type of money over four years of the GST promotion campaign, we could have employed an extra 1,500 or more primary and secondary schoolteachers or we could have built more than 100 new primary schools. How many students from regional Australia could have benefited from that $410 million worth of funding for living away from home allowances to further their education—an issue raised by the previous speaker, the member for Longman?

We could have funded more than 1,200 public hospital beds or reopened closed wards or kept some smaller country hospitals open, or 150,000 extra hospital patients could have had funding for treatment and waiting lists could have been massively cut across the country. Nearly 3,000 extra nursing home beds for every year of the GST promotion campaign could have been funded. The $410 million could pay some 10,000 older Australians the age pension for four years. If funding for nearly 1,600 children from low income families each year for four years had been made available, parents in low income households could have been helped to find and keep work to improve their living standards. An extra 1,500 police officers on the beat could have resulted from the $410 million that is being spent on GST promotion over four years. Our roads could have been made better and safer. And I could go on.

Let us look at this government’s latest advertising spending spree. It is throwing away $36 million on the glitzy but meaningless Unchain My Heart advertisements. The only one to benefit from this propaganda campaign is Mr Joe Cocker and his record company, who are reported to have received $270,000 from taxpayers for the use of Unchain My Heart. Now $270,000 is the figure today, up from $150,000 yesterday, but tomorrow it could well be over $300,000. The one thing that I can tell you is certain is that the figure will always be higher rather than lower when dealing with this government’s expenditures on flogging off this tax. A letter to the Editor of the Australian newspaper by Dr. Sylvie Perreau from Adelaide best sums up the situation:

It is symbolic that Mr Howard is cutting funds for education while spending an increasing amount of taxpayers’ money on useless ads that tentatively attempt to make everyone feel good. I wonder, as many of my colleagues on this side and no doubt some opposite do, what this money could have done to address regional unemployment; to help students in rural and remote areas get access to higher education; to help restore ever diminishing regional services; to assist regional development; to provide much needed regional infrastructure; and to help improve our public health system; and what it could have done for regional transport and communications infrastructure.

All the government is doing is wasting money on a desperate attempt to sweeten the
bitter GST pill. I do not believe the people of Australia will swallow it because this government has once again been exposed for its lack of vision. It is as if the Treasurer has had a blank, just like his published speech of 16 pages, 5½ of which were empty, blank, nothing there—white space.

For a budget that claims to provide a vision for regional Australia it fails dismally and shows this government has learnt nothing and is not listening. The Prime Minister’s so-called Nyngan declaration is just that—all declaration and little action. And the reason? The Howard government cannot invest in regional and rural economies because it has emptied the coffers trying to compensate people for the GST. Consider this: of its $1.8 billion regional package in this budget—and that is over four years—$500 million is to be spent just on making sure that the GST does not increase petrol prices in regional and remote areas. This comes against a backdrop of promises by the Prime Minister that the cost of petrol ‘would not rise’ and the well-worn phrase ‘need not rise’, together with recent comments by the Treasurer who wants to limit the level of GST compensation to non-metropolitan motorists. Uncertainty over what motorists in regional and country areas will pay for petrol in the aftermath of the GST is typical of the confusion surrounding the real impact of the new tax on our everyday lives.

In my electorate of Braddon, motorists and fuel retailers fear being hit by a double whammy as they brace themselves for petrol price rises and the introduction of the GST. It is clear that in regional and remote areas the GST will force petrol prices up, and that will be on top of whatever rises occur in the meantime. And the higher the price of petrol goes, the greater the gap between what metropolitan and non-metropolitan motorists pay for their fuel. That is not scaremongering; it is fact. What this government failed to properly take into account from the outset is that petrol prices are generally higher in regional and country areas than in metropolitan centres, so when you add a 10 per cent GST the price differential will increase. Finally, it was embarrassed into recognising this fact and came up with the hastily constructed fuel grants scheme to try to address the difference in petrol prices between the cities and regional areas. I notice in the budget that $1.7 million has been allocated to the Australian Taxation Office to run the scheme—more money. However, there are no guarantees that planned compensation payments for higher petrol prices in regional and remote areas because of the GST will actually flow on to motorists.

The Fuel Sales Grants Scheme is a farce. It will be a nightmare for service station operators. And consumers? They will not know what is going on. We are told that under the scheme fuel retailers in non-metropolitan areas will be paid a 1c, a 2c or even a 3c a litre fuel rebate which they will be expected to pass on to motorists. This will impose a further GST compliance task on fuel retailers at a time when many are struggling to survive. But we still do not know what the mechanism will be for deciding who gets the rebate and who does not and whether they will get 1c, 2c or 3c a litre. Not surprisingly, the detail of the scheme remains a mystery. The only reason I can think of as to why the government has not provided the detail is that it has not figured it out yet. But this is typical of so much about the GST. In fact, when you look at this budget there is much more about regional Australia this government still has not worked out.

The penny still has not dropped that to be part of the new economy Australia should pursue the vision of becoming a knowledge nation. In this budget there is hardly any new investment in education, training and research and development. There is only $62.1 million over four years in new initiatives in education, that is, 86c per Australian per year. This is the lowest level of new education spending in the last five budgets. Commonwealth spending on education as a proportion of GDP is continuing to decline, as Professor Simon Marginson of Monash University has clearly demonstrated, in relation to higher education. Under this government, less than 0.8 per cent of GDP has been spent on higher education, from 1.4 per cent in the seventies to 1.1 per cent in the early nineties. For every $1,000 raised by universities, it is estimated this government has withdrawn
$2,000. Contrary to the bleating of the Minister for Education, Training and Youth Affairs yesterday, a May OECD report shows Australia lags behind most OECD countries in education spending. Australia ranked equal 23rd among the 28 member countries, and this budget does absolutely nothing to improve this situation, least of all in regional Australia.

The government still fails to recognise that education could be the most powerful tool for improving opportunities for people in rural and regional Australia. Earlier this year the Human Rights and Equal Opportunity Commission’s inquiry into rural and remote education, termed ‘Emerging Themes’, added its weight to calls for greater assistance to young people and families living in regional areas like my own on the north-west coast of Tasmania. Remember, too, the findings of the House of Representatives Standing Committee on Primary Industries and Regional Services. Its report, *Time running out: shaping regional Australia’s future*, described the lack of assistance to students and their families from regional areas who are forced to live away from home to further their studies as a ‘national disgrace’. This budget fails to recognise that there need to be specific programs and assistance to schools and colleges in regional areas to improve retention rates in years 11 and 12 and more practical help for students who want to go on to higher education.

I am very disappointed that this government still is not addressing the issue of access to higher education for students in rural and remote areas. Clearly, if students have to live away from home to study at TAFE or university because these courses are not available in their region, then some form of financial assistance is needed to overcome this inequity. A living away from home allowance or some form of tax relief is worth serious consideration. I think the argument put by the member for Longman reinforces this. Such a consideration would help overcome some of the geographic disadvantages many of our students and their families face. The cost can be from $8,000 to $10,000 a year more than for a student living in a metropolitan area. Where is the equity and justice in that?

Students who are ineligible for Austudy and the youth allowance, who must rely on their parents for financial support, are further discriminated against on the grounds that they must also pay living away from home expenses on top of general living and study expenses. Who assists the middle income family with one or more children who must live away from home to study? It is all right for many to blithely argue that these people can afford to pay. The reality is that such families are not eligible for any benefits, whether they be in the form of financial, income or non-income support. Again, this budget barely scratches the surface of the needs of regional and remote areas.

I do, however, welcome funding for rural health in the budget, albeit long overdue. But there is still a long way to go. It is an issue of major importance to my electorate, where the rural sector is the backbone of the local economy. Indeed, we are the biggest exporter in Tasmania of onions, potatoes and a range of other crops, including poppies and pyrethrum. Thus it was with more than a passing interest I noticed the work of the Australian Centre for Agricultural Health and Safety. Its work shows that farming is the most dangerous occupation and industry in the nation, more dangerous in fact than mining, so dangerous that in Australia farming averages a death every three days. James Houlahan, the Deputy Director of the Centre for Agricultural Health and Safety, states:

Somewhere between two hundred and six hundred injuries per one thousand farms requires attention at rural hospitals each year.

This figure does not include injuries not attended to because farmers are renowned for ignoring physical pain and leaving seeking treatment until the last moment. One could be excused for thinking that, due to need, rural and regional health centres should be well resourced and there should be a GP on every corner. This, unfortunately, is not the case. An article in the *Australian Journal of Rural Health*, titled rather aptly the ‘Inequitable distribution of general practitioners in Australia’, shows that there is a great need for more rural GPs in my home region of Mersey-Lyell. In the Mersey-Lyell region there is a full-time doctor for every 1,300 people. In
Circular Head, to the far north-west in my electorate, with a population base of 8,100 people, there should be at least five, and ideally six, doctors. At present there are three. In addition, I am informed that the Smithton hospital has eight full-time equivalent nursing staff vacancies which are proving difficult to fill. But here in the ACT, for example, there is a full-time doctor for every 870 people. This, again, can be compared to the state average in Tasmania of a full-time GP for every 941 people. I believe this is a further example of rural decline.

Studies clearly demonstrate that as the social and economic fabric begins to fragment in rural areas so too does the ability of these communities to maintain their important infrastructure. So, what is this government’s response in terms of building the social fabric of rural and regional Australia? In this budget there is no response. Infrastructure in its many forms is crucial not merely in attracting professional services but in retaining them. Having more GPs and other, ancillary health professionals in rural and remote areas may be a positive development, but without the social infrastructure to support the families who accompany them the likelihood of their staying beyond their six-year bond, for instance, is questionable.

The health of a community does not just consist of employing doctors. Rather, it is achieved by a balance between health care and all other socially contributing factors, such as employment, educational opportunities, infrastructure and child care, to mention just a few. My point is that there is little in this budget to support and nurture the ongoing viability of retaining GPs who may be initially attracted by the bond. It is all the other things that go to make up living and surviving in a community that need attention. The health infrastructure has to be adequate to enable the practice of good medicine and doctors. Health professionals and their families need to feel that a social life is viable.

Comprehensive and integrated regional policy is a must. One-offs may treat the symptom but unless the cause is acknowledged there is little chance of a long-term remedy or cure. That is the challenge facing regional and rural Australia. But this challenge and the opportunity to put it right continue to be way down on the list of this government’s priorities. Sadly, its only priority at the moment is a tax nobody wants—the GST. There are virtually no new development initiatives for regional and rural Australia. The job of revitalising regional Australia will have to wait beyond this government.

Take the government’s commitment to establish 70 rural transaction centres during the 1999-2000 fiscal year. It appears a very distant promise now. We have learned from recent Senate estimates hearings that the government has further reduced the target of operational RTCs from 30 to only 16 this financial year. This is just another example of the inability of the government to deliver on Telstra 2 promises. Yet the government continues to promise much more with bribes to the so-called ‘bush’ to get its way and sell off the rest of Telstra. How can we trust this government? Why should regional and rural Australia trust a government that fails to live up to its promises? It is little wonder the Labor Party remains committed to keeping Telstra—and, I might add, Australia Post—in public hands.

This budget should have laid the groundwork for investment in new industries, for the creation of employment, for better health care and for the educational opportunities of the future, which is what we mean by ‘making Australia a knowledge nation’. Instead, this government’s coordination of regional policy remains ad hoc. Its policy for regional Australia seems to be to make policy on the run. It is reactive, rather than proactive. The time is rapidly approaching when this government will pay the price, and I think the recent election result at Benalla is just forewarning of things to come. The next time we hear Joe Cocker sing one of his songs it will be his famous hit *It’s High Time We Went*. The ‘we’ in this case is the government.

Mr CAUSLEY (Page) (5.36 p.m.)—It is always interesting to follow the member for Braddon. We heard a lot of rhetoric, a lot of innuendo and a lot of criticism, but not one idea. We did not hear any ideas about how the Labor Party might manage the affairs of this country—no policies, as usual. I think it exemplified those who sit opposite, because
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we did not hear any ideas or alternative views about the management of the country.

It is a great pleasure for me to stand in this house for the fifth budget of the Treasurer, Peter Costello, and to see that it is another surplus budget. It is important to see that $30 billion of the $80 billion debt that was accumulated by the Labor Party has been paid. Of course, that is saving the taxpayers $3 billion a year in interest.

There is a collective amnesia opposite, as they criticise this budget and talk about how they could do it better. I listened to the shadow Treasurer on air, talking about how they could have a better surplus and what could be better done. Having been a member of the state government, and having watched the performance of the Hawke and Keating governments and the deficit that they ran up—the present Leader of the Opposition ran up, in one year, $10 billion in debt—I find the hypocrisy absolutely breathtaking.

The member for Braddon is a newcomer to this house and apparently was not around, not listening and not watching while Australia was put into such a reckless position. He now comes into this house and tries to talk about a surplus budget. He questions the fact that it might be in surplus, and of course he is alluding to the argument about the sale of spectrum. When you talk about leasing things, it is a big difference from selling. This is coming from an opposition that sold the Commonwealth Bank and Qantas and spent the proceeds in the budget of the year. They did not pay off any debt and they spent the assets. Again, the hypocrisy is breathtaking when you hear these people say, ‘You should not do these things.’ But what did they do? You only have to look at the history of what occurred when the Labor Party were in government.

This particular malaise is endemic to the Labor Party. You do not have to have much of a memory to remember what happened in South Australia, Western Australia and Victoria. And if you read the newspapers, you will see that the disease is even across the Tasman. There was a run on the New Zealand dollar recently, and what were the reasons put forward? But in fact business was saying, ‘We are going back to the bad old days under Labor. We are going back to the protectionism and the union control.’ It was endemic in New Zealand before the change that took place, and, to the credit of the Labor Party, they were the ones who brought in the change. Now they are going back to the past, and of course there is a run on the New Zealand dollar. The mismanagement of economies is a disease endemic to the Labor Party, and they cannot run away from it. You have all the examples you need to show exactly what goes on.

This is a very good budget for the bush, but we heard the member for Braddon saying that there is nothing in it for the bush. There has been money in these five successive budgets for issues in the bush. I can say to you that thinking people appreciate what this government is doing for them. Regional and rural Australia have many needs, and I will go through a few of them. One of the greatest needs is the provision of health services equivalent to what people could get in the city and in the regional centres. There has been a problem for a long time in getting GP services out into isolated areas of Australia. Many programs have been tried, and we are trying again. I suppose there is no guarantee that it is going to succeed, but we are trying to encourage students to go into regional areas so they have at least some chance of understanding what life is like out there, and hopefully they will stay in those areas. It is an extremely important part of medicine.

A few months ago, I had a meeting with 30 women in the top end of my electorate, right up in the McPherson Range, in the small villages of Woodenbong and Urbenville—well away from the main centres. The women were saying that they wanted midwifery services. I said, ‘But you have a doctor down at Urbenville.’ They said that the doctor no longer delivers babies because of the cost of insurance. We are going back to the dark ages when we are talking about providing midwives, not doctors, at births. Surely we have to do something about that.

Health is a huge priority and the Minister for Health and Aged Care, to his credit, has addressed it. He has addressed it in Medicare numbers, and he has tried to address problems in a number of other areas, but I put it to
you that some of the problems are with the medical profession. I think they need to have a good look at some of their practices and some of their prejudices to help address the problems we have.

I will go through some of the issues that I see as important and which I think need to be addressed in future budgets. I am a supporter of fiscal responsibility. I think it is very clear that if you do not have fiscal responsibility, inflation runs out of control, interest rates get out of control, and you have all sorts of pain across the community. I sat back and watched the pain that occurred when inflation and interest rates got out of control during the Keating era. I can tell you that when penalty interest rates in farming communities get up to 23 per cent, there is an enormous amount of pain and it does an enormous amount of damage. Young couples used to come into my office, and I watched their relationships disintegrate. Every month, the interest on their housing loans was going up, and I can tell you that their relationships just disintegrated because of the penalty that was being incurred from rising interest rates. You must have fiscal responsibility, and I am a great supporter of it.

We also know that the world out there at the present time is changing dramatically. It is changing very fast. Regional and isolated Australia is saying that they are behind the eight ball. There is no doubt about that. In many instances, they are definitely behind what people expect to be the norm in the cities and regional centres. But, unless we can help regional and isolated Australia keep up with technology, and if we cannot deliver them the speed that they need in the Internet to compete with the cities—who are going to get it anyway in the very near future; probably within the next 12 months—then we will be even further behind the eight ball. There is no doubt in my mind that we have a great opportunity in Australia. We have talked for many years about decentralisation; it has become a hackneyed word. Unless you have a market or a resource, it is very difficult to decentralise. But in the information technology area there is a unique opportunity to decentralise. There is absolutely no reason why business cannot be conducted at Oodnadatta, Wilcannia, Tamworth or Lane Cove at the same cost. We in this parliament have to make sure that we have those facilities in place, and I am sure it can be done. If it comes to the stage that it needs taxpayer support to do that, so be it. I am often reminded, when I think back to the budgets we delivered in New South Wales, of the support that is given to city transport—the last time I looked at it, it was $5 billion. I do not resile from that because I know it has to be so. If you do not have a mass transportation system, you put more pressure on the roads, you put more pressure on the environment and the standard of air that you have in the cities. It is an important subsidy that occurs in the city. If we need a certain amount of money to subsidise telecommunications in the bush, then it should happen. It will give businesses the opportunity to compete on a level playing field—that much maligned level playing field, but it can be so. I see that as being an important issue in the future.

I also want to raise the issue of responsibility for local rural roads, which are usually looked after by the shire councils. We have the national highways, state highways and trunk roads, and we have the local rural roads which are the responsibility of local councils. But when you go to isolated Australia there are in many instances fewer and fewer people to pay the rates and to cover the costs that are incurred in those areas. There is a much wider burden of responsibility on local government these days—probably more so in New South Wales than in other states. Planning laws have a huge cost and a huge responsibility that take a lot of the councils’ funds. Of course, if they are taken to the Land and Environment Court, it can cost them quite a lot of funds again, and with the complicated planning laws that we have they can often end up there.

So there is no doubt in my mind that there is a need to look very closely at some support for local rural road funding. This is nothing new. If we go back to the days of John McEwen, there were the CAR funds—the Commonwealth Aid for Roads funds—which went directly to local rural roads. There is nothing to stop this occurring again, and I believe it is something that the federal gov-
ernment needs to keep in mind. Two things should occur, in my opinion. Firstly, we are worried about employment in regional areas. Road building obviously needs employment, and it is a great opportunity to get some employment into isolated and regional Australia. Secondly, the productive sector—the farming sector and the mining sector out in those isolated areas—is very dependent upon the road systems that we have in place. When I was minister for mines in New South Wales, we had a declining rail system out to Cobar, yet we were finding more and more mineral. It was a problem trying to get the mineral to the markets. So roads are very important to the national economy. I do not think that anybody needs to talk too long about that. It is very easily understood that we need to have a very good road system and that it is very beneficial to the overall productive capacity of the nation. It is an area that we need to look closely at.

As I said, there are many areas of this budget that are very significant to regional and rural Australia. The AAA package, in getting a better education for farmers to help them through some of their difficulties or to exit if they had to get out of the system, is coming to the end of its term. I am very pleased to say that the minister for primary industries—agriculture these days; I’ll have to keep up with the terms—

Mr St Clair—Agriculture, Fisheries and Forestry.

Mr CAUSLEY—Agriculture, Fisheries and Forestry. I thank the member for the Northern Tablelands—New England. That was a bit of a Freudian slip, wasn’t it? There is $309 million in the AAA package, and it is a very good package that the farming community are very thankful for.

Education is an area that I have had an extreme interest in for some time, probably not in the areas that others have been talking about—in universities and such. I have been looking more at an area where we have had problems for a number of years: the indentured apprenticeship area, which I think is the most important area. We have had a number of different problems there, but no longer is it easy for an employer to have an apprentice. The systems have changed so dramatically and the technology is so different that they have to go away on bulk release, and the employers, who are all battling to make ends meet at the present time without having any extra costs, find it very difficult to engage apprentices and give them the long-term commitment that they need to come out the other end with a trade. I see the New Apprenticeships initiatives and the skills area as very important, and I think that the Jobs Pathway Program has been a magnificent program. All too often our schools are not connected to industry. Really, if you are going to educate someone for a job for life or give them a grounding in a job for life, you have to have that connection and you must understand that connection. We are getting some of the school teachers out into business to understand what business wants and what business needs. It is also giving the students an opportunity to get some contact with a job that they might be interested in or that they might find out they are not interested in. It is important that they get some taste for what the job is all about and they can then make a decision.

Mr Sidebottom—What if they have to move away?

Mr CAUSLEY—if you have to move away, that is another problem.

Mr DEPUTY SPEAKER (Mr Hollis)—Order! The honourable member for Braddon should not interject, and the member for Page knows he should ignore the interjections, which are totally out of order.

Mr CAUSLEY—He is a bit difficult to ignore, Mr Deputy Speaker.

Mr DEPUTY SPEAKER—I know, but you should try. Make a supreme effort.

Mr CAUSLEY—The fact is that the program has been delivering and delivering in a great way, and I really commend the Minister for Education, Training and Youth Affairs for what he has done in that particular area. There are a number of issues to speak about. I want to highlight another area, though, that my community find very important. A lot of people in my community are very concerned about the illegal boat people who are coming across to Australia. They have great concerns about it. I suppose people who have in some
way been involved in the past in conflicts in the South-East Asian region and in wars see it as a problem and are very concerned about it. I am very pleased to see that the government, within a surplus budget, has been able to find the funds of $49 million over four years to get better surveillance of our shores. But it is not just the illegal immigrants; it is also the drug trade. That is also a great concern in my community. With the huge coastline that we have and the huge challenges that we have in that area, I am very pleased to see—

Mr Nehl—There is a quarantine risk too.

Mr CAUSLEY—Yes. As the member for Cowper says, there are quarantine risks, Australia being a very isolated country and free of most of the major diseases that really are a problem in our agricultural industries. Quarantine is very important.

Finally, I think an area that we have been very up-front with is the area of veterans’ affairs. The minister, Mr Bruce Scott, has done an excellent job. I think he has carried on the very good job done by the previous minister, to be honest, and I think the Veterans’ Affairs portfolio has had good ministers in the past. I am pleased to see that there has been a recognition of some of the concerns of the Vietnam veterans. I have a large population on the North Coast of New South Wales of Vietnam veterans, and there is no doubt that they have some health problems. There is a recognition of the issues involved with the Vietnam veterans but more particularly of the issues involved with probably some of the more forgotten service people, and they are the ones who served in the Malay Emergency, in South Korea and in the other South-East Asian conflicts. We have tended to forget about them, but there is no doubt that they have now been recognised and they are going to get full repatriation benefits out of this budget. I have spoken to a few of them in recent times, and they are very grateful for the fact that we have recognised them for the service that they gave to this community.

It is also interesting to note that, even when Australia was faced with the huge responsibility that was forced upon it in East Timor, we were able to react to that emergency. I know that it probably stretched us at times to do that, because we seemed to be there on our own. I know there was some support from behind the scenes—the Americans certainly did give us some support—but it did stretch Australia’s capabilities. We may have learnt a few lessons out of it too about some of the responsibilities we have in this area. But the point that I want to emphasise is that we were able to fund that. Because of the fiscal responsibility of the government, we were able to fund that and we still have a surplus. We would not have been able to do if we had not got the house in order and if we had not done the hard yards. Do not kid yourself—they are difficult. That is why the Labor Party will not do them. It is not easy to go out to the community and say, ‘We have to cut back in spending in certain areas because we have to balance the budget and we have to pay off some of the irresponsible debt that was run up over so many years.’ It is not an easy issue at all, but this Treasurer and this government have not flinched from that and I think they should be congratulated for it. (Time expired)

Mr KELVIN THOMSON (Wills) (5.56 p.m.)—I am in the relatively fortunate position of getting to comment on a lot of pieces of taxation legislation and on this government’s management of the economy. Therefore, I thought I would use the opportunity of the debate on the Appropriation Bill (No. 1) 2000-2001 to perhaps canvass some broader and longer term issues. When I came into the parliament in 1996, one of the things I referred to in my first speech was my concern about whether gross domestic product adequately reflected the national wellbeing, and that is an issue that I want to return to this afternoon. Surveys of how Australians feel about how we as a nation are going suggest that a handsome majority is troubled about our direction and does not believe that society is improving or getting better. This is the source of a great deal of political and social unease. The idea of social progress, of lives and society getting better is embedded in our culture, and the generation which grew up during the long boom of the 1950s and 1960s had an expectation that things would indeed continue to get better. How do we work out whether things are getting better or not, and what is the explanation if things have stopped
getting better? How can we ensure that things do improve in future?

I am convinced that one of our major problems is that we have not placed the target in the right place. A great deal of our policy making is geared towards increasing our gross domestic product on which our economic growth figures are based. Certainly when the budget was brought down there was a great deal of attention paid to the economic growth figure. This is also true with bells on for developing countries, which have had political priorities set for them by international lending agencies, with gross domestic product treated as a Holy Grail. But does GDP really tell us how well we are travelling? First, there is the social hole. GDP does not take into account anything where money is not involved. Accordingly, it does not say anything about the contribution made by households or community volunteers. This leads to transparent anomalies. If a man marries a paid housekeeper and she continues to do what she was previously paid to do, the economy shrinks! Alternatively, if we paid our neighbours to do our housework and they paid us to do theirs, the GDP would increase and economists and politicians would swell with pride. But it is hard to see precisely how we would be better off under such an arrangement.

More seriously, a whole realm of essential work—caring for our children and caring for our older people—simply passes uncounted. Just because this work does not have a dollar value does not mean it has no value. On the contrary, it is and always has been an essential component of the richness of our society. Take out the volunteer work, the community work and the work we do maintaining our houses, and our society would soon fall over.

Secondly, there is the environmental hole. In a GDP based accounting system, the environment is treated as having no value or as capable of indefinite renewal. This runs counter to the overwhelming weight of scientific evidence—and, indeed, violates basic accounting principles by portraying the depletion of natural capital as current income rather than as the depreciation of an asset. Not only does depleting natural resources show up as a gain rather than as a loss; activity which generates pollution adds still further to the GDP because of the cost of clean-up. So pollution gets counted twice as a benefit to the economy, and oil spills such as the Exxon Valdez disaster lead to an increase in GDP.

Then there is the widening income hole. GDP has nothing to say about the distribution of income, so if the rich get richer while everyone else stagnates it still shows a nation moving forward. While I am a bit wary of the Henderson poverty line and anything else which is based on relative measurements of wealth and poverty, I do not think we can avoid the conclusion that income disparity in a society does matter. Poverty does have some cultural characteristics as well as some universal ones, so an Australian family which cannot afford a TV in the year 2000 is poor all right whereas this would not have been true in the 1950s or 1960s. In the same way, I do not regard lack of access to a mobile phone or the Internet now as a sign of poverty or of social isolation, but I expect the time will come soon enough when it will be. GDP also has nothing to say about the time taken to produce it. It treats leisure time as having no value at all, and so a shop assistant who loses family time as a result of Sunday trading or a shift worker forced to work unpaid overtime at funny hours will be recorded as a rise in GDP, which is hardly the way the matter will strike them.

In America from 1973 to 1993, wages suffered a decline of almost 14 per cent, while GDP rose by over 50 per cent. During the 1980s, the top five per cent of households increased their real income by almost 20 per cent. The GDP also tells us nothing about the distribution of work. One of the phenomena of our time is the overwork-underwork paradox. The Labor former shadow industrial relations minister Bob McMullan reported in 1997 that the average hours per week for a full-time employee had risen from 39.9 hours per week in 1989 to 42.2 hours per week. Those longer hours lead to increased stress and dissatisfaction—and, indeed, a majority of 11,000 employees surveyed by the federal Department of Industrial Relations in 1995 reported that the stress and the effort required in their job had increased over the past 12
months. Those results came at a time when Australia’s unemployment was 8.6 per cent and many thousands of part-time workers were known to be looking for longer hours or full-time work.

There are more holes. There is the question of GDP or GNP. From its development in the 1930s until 1991, national output and performance was measured by gross national product, or GNP. In 1991, this was changed to GDP. The difference is that GNP attributes the earnings of a firm to the country where the firm is owned while GDP attributes earnings to the country where the activity is located. The significance of this is that it can present a completely misleading picture of a nation’s circumstances, particularly those of developing nations. A Third World country might find its mineral wealth disappearing, its forests being razed and its soils degrading as a result of unsustainable agricultural practices and get none of the wealth generated by all of this because the relevant companies are overseas owned. GNP takes a more sober view of this situation by attributing earnings to the country for which they are destined. GDP, on the other hand, presents a picture of bliss for the country concerned.

Whatever shortcomings free trade and globalisation might have had for the industrialised workers of the Western world, most of us have hoped that they offer an opportunity for the chronically poor of the world to raise their living standards. Increasingly, it appears that this is not happening and that the rich nations are looting the poor. GDP, amongst other things, helps conceal this pillage. Those who are relaxed about the fate of the poor nations should take note that GDP helps take us down the dubious path of living on foreign assets. Borrowing from abroad to finance local spending, whether we do it as individual consumers or through our government, raises GDP. Repaying this debt, however, is a growing burden on our national economy. Australia’s foreign debt has been on a steady upward curve—which the Liberal Party made a great fuss about in opposition, launching their ‘debt truck’ to draw attention to the issue, but are now apparently unconcerned about. But, if we borrow for consumption rather than capital investment, we are effectively living beyond our means and incurring a debt which must be repaid. The GDP, however, presents this borrowing as a plus rather than as a minus.

The basic problem with GDP is that it counts everything which has a dollar value as being a good thing and attributes no value at all to anything else. If your commissioner of police or your local mayor reports that activity in the streets is up by 20 per cent, I doubt this would be greeted with three cheers. Journalists and the public generally would want to know what kind of activity was being talked about. Rises in the GDP, however, have tended to be greeted with uncritical acclaim—notwithstanding the fact that the GDP includes the cost of the guns and bullets used by Martin Bryant in the Port Arthur massacre, the medical costs of treating those of his victims who survived and the cost of rebuilding the house to which he set fire. It also includes things like the Oklahoma bombing or the O.J Simpson trial, as an excellent article on this issue in the Atlantic Monthly pointed out back in 1995. The total cost of that trial was estimated at $200 million in extra GDP, which the Wall Street Journal pointed out exceeded the GDP of Grenada.

Crime adds mightily to the GDP due to the cost of locks and electronic security devices, the cost of police protection, medical costs and the cost of repairing property damage. It is not only crime that treats the GDP as a good thing. Natural and social disasters get the same thumbs up. Divorce leads to lawyers’ fees and the cost of establishing new households. Cyclone Tracy, the Ash Wednesday bushfires, the Newcastle earthquake, the Wollongong floods were all good things if GDP is to be believed.

Not only that; the GDP is out of date. We can also get a clear picture of why we now desperately need to move on from using GDP as a national performance indicator if we take a look at the history of its development. Several hundred years ago, some French theorists, known as the physiocrats, developed the idea that the source of a nation’s wealth was its agriculture. Accordingly, their economic measurement focused on agricultural production. In England, which became a more
industrial country, Adam Smith developed a broader view of natural wealth which included manufacturing as well. Interestingly, he did not include the services sector, so things like legal services, entertainment and government did not count. He described them as unproductive of any value because they did not give rise to a tangible product. While not many people today would consider that view correct, Smith was at least considering a matter which got lost in subsequent thinking on this issue—that is, is there a difference between mere monetary transactions and a genuine addition to a nation’s wellbeing? That point was noted by Cobb, Halstead and Rowe in the article to which I previously referred.

As England’s economic centre of gravity shifted from manufacturing towards trade and finance, the neoclassical economist Alfred Marshall declared that utility rather than tangibility was the true standard of production and wealth. In other words, it was the market price which determined the significance of something—whether it is a tangible thing like a train or an apple, or something less tangible like a bank fee or a day at the races. That type of analysis is alive and well today, and it was certainly alive and well back in 1932 when the American commerce department prepared a comprehensive estimate of national income. They had a young economist named Simon Kuznets who did the work of developing a uniform set of national accounts, the forerunner to the GDP. That work earned him a Nobel Prize, and it should be acknowledged that the GDP’s cult status today is in part due to two spectacular successes in the years following its development. The first was during the Second World War when the US and the UK used it to locate unused production capacity and maximise their war output and war effort. It is said that Hitler had set much lower production targets due to less sophisticated national accounts.

Secondly, in the period following the war, GDP fitted in perfectly with the Keynesian economic theory which had developed in the wake of the Great Depression. That theory gave to governments a new task of keeping the economic motor running by ensuring that there was government spending to top up private spending as required. It also tended to focus on people as consumers rather than as producers. Their spending—the more the better—would ward off the return of depression. The GDP was a very useful gauge in assessing how the task was progressing, and an ever rising GDP became an article of policy faith around the globe. Simon Kuznets himself understood quite well the limits of his creation. His first report to the American Congress in 1934 said: the welfare of a nation can scarcely be inferred from a measurement of national income as defined above.

By 1962 he was expressing in *The New Republic* the view that national accounting needed to be fundamentally rethought. He said: Distinctions must be kept in mind between quantity and quality of growth, between its costs and return, and between the short and the long run. Goals for ‘more’ growth should specify more growth of what and for what.

Those limits are becoming even more stretched as the economy changes from the one he worked on back in 1934. First, globalisation has wreaked havoc on the Keynesian idea of sovereign nation states finetuning demand in their economies the way you might finetune a motorcar. Secondly, the modern economy is increasingly services oriented, and a World War II era tool for judging military-industrial potential is increasingly obsolete.

What I think we need is a proper national stocktake. Just as you get less of what you tax and more of what you do not, I am convinced that in the long run you get more of what you measure through the national accounts and less of what you do not. As a nation we are working harder than ever before, working smarter than ever before and using the latest in technological innovation. But the question we need the answer to is: are we better off than previous generations? Gross domestic product does not capture our health, our individual wellbeing, our personal and collective security, the value of domestic work, the fairness of income distribution, the quality of our environment; the GDP is ill equipped to measure these things.
It is evident that in our modern economy an increasing proportion of our income is required to mitigate environmental and social costs simply to maintain welfare levels, and it is also evident that the market does not account for poor air quality and depletion of natural resources where personal expenditure alone cannot buy welfare. We need new measures of performance, measures which will focus directly on whether our society is becoming healthier, safer, fairer, happier. We need measures which will better enable us to assess the performance of our governments, politicians, economists and society.

In England, the New Economics Foundation have made a valuable start with their Index of Sustainable Economic Welfare. They measure personal consumption, like gross domestic product, but then they take out spending to offset social and environmental costs; they account for cost estimates of environmental damage and depreciation of natural capital; they include net formation of man-made capital; they account for changes in the distribution of income, so an additional pound in the pocket means more to the poor than to the rich; and they also include a value for household labour to reflect non-monetised benefits to the economy. When this index was applied to Great Britain, it showed reasonably steady improvement from 1950 to 1975 but then deterioration until the 1990s, leaving British people only a little better off than they were in 1950. This would appear to me to reflect more realistically than the GDP the experience of those who have lived through this period.

Cobb, Halstead and Rowe obtained a similar outcome when they devised a replacement methodology for GDP in the United States, which they called the Genuine Progress Indicator. They made adjustments to the GDP by adding in the value of housework and community work; counting as a cost the loss of leisure brought about by people having to work more than one job or very long hours; counting as a cost, rather than as a plus, the costs of crime prevention; and counting as a cost dealing with degradation of the physical environment, pollution costs, resource depletion costs, and so on. The data was also adjusted for income distribution; if the whole population was not benefiting from rising production, then that was being reflected in the GPI. As with the British experience, both the GDP and the GPI moved upwards until 1970. But from there, however, while the GDP continued to rise, the GPI declined by all of 45 per cent. No doubt some will contest the proposition vigorously that we have gone backwards since that time. But I think this is likely to be a far more meaningful measurement than the GDP, according to which we are now doing twice as well as before.

Time prevents me from going into alternative measures more deeply, but I do note for the benefit of the House the Oregon system of benchmarks. I am particularly attracted to this system because it encourages greater participation by citizens in the political process; it encourages participation in the creative act of developing benchmarks; and the focus of outcomes is consistent with devolving power and enabling service deliverers to meet the objectives, using their own expertise and know-how rather than having everything prescribed from on high. The benchmarks also represent a way of re-establishing public faith in government and restoring public confidence in the public sector to deliver services. Public confidence in government has fallen alarmingly in the last 25 years or so, and we need to restore it. (Time expired)

Ms WORTH (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (6.16 p.m.)—The coalition government has provided economic stability for all Australians. This budget—the fifth coalition budget and the fourth budget surplus in a row—builds on the sound economic performance that Australians have come to expect from this government. When speaking at a community afternoon tea in my electorate of Adelaide recently, the Treasurer made the point:

... over 5 budgets, this Government has not borrowed in net terms. It has not borrowed a dollar over the period of its office—something that could not be claimed by any other Commonwealth Government since before World War I.

This is a remarkable record for the coalition. I wish to add my congratulations to those being offered by my colleagues to the Treas-
urer for his tireless pursuit of economic stability and prosperity for this country. This government has repaid $50 billion of Labor’s debt. This is an incredible achievement. And with unemployment levels at their lowest for a quarter of a century and a predicted 3 ¾ per cent growth rate, Australians can feel confident of the future. This budget also implements the largest tax reform package that this country has seen—a package which is set to revolutionise doing business in Australia, together with substantial income tax cuts that essentially will give Australians greater choice. On 1 July, people will be paying less personal income tax. They will have more money in their pockets—and I am proud to say that this government has delivered on its promises. The Treasurer’s achievements in this budget were summed up well by Glenn Milne, who wrote in the Australian on 15 May:

The Treasurer faced three tasks in this Budget, and all were achieved. First, produce a Budget surplus that withstood the scrutiny of the markets. Second, make provision for the $12 billion in personal tax cuts that underpin the GST. And third, project credible forecasts on growth, inflation and unemployment.

The opposition, whose members proved themselves to be incompetent economic managers, have criticised the government for its tax reform policies. Yet they have refused to say whether they would dismantle the system, preferring to use ambiguous terms like, ‘We will roll back the GST.’ When they were in government, they did not have the courage or the capacity to implement the reforms that they knew were necessary. Now they oppose for the sake of opposition, and hope to incite fear in the community for cheap political gain.

In this budget, spending on education has increased by 3.4 per cent. That means that we are spending an additional $382 million this year. This amount includes approximately $5.2 billion for schooling, $4.4 billion for universities, and $1.7 billion for vocational education and training. It should not be forgotten that, with the introduction of the federal government’s tax reform package, the revenue base going to the states and territories has been increased, allowing for additional spending in crucial areas like education and health.

This budget is not just about new initiatives; it provides vital funding for ongoing programs. In addition to the increase in funding on education announced in this budget, there has been a continuation of funding for a number of significant youth programs that form part of my portfolio responsibilities. The government has developed a number of excellent initiatives for the young people of Australia, and I am certain that members on both sides of the House would be aware of the success of these programs within their own electorates. This is something that the shadow minister for youth affairs, Senator Lundy, should inform herself of. Then perhaps she would not be so silly or ill-informed as to put out a press release claiming that there were ‘not even scraps from the budget table for young people’.

Young people benefit from the improved economic conditions and lower rates of unemployment that are the benefits of sound economic management by this government. Young people now have many opportunities to look forward to in a climate of economic growth and prosperity. One of these programs, Green Corps, which was first announced in the 1996 federal budget, was extended last budget at a cost of $90 million over four years. The primary objective of the Green Corps is to give young people with an interest in the environment the opportunity to receive quality training, while participating in projects addressing significant environmental issues. Green Corps projects, located mainly in country and regional areas of Australia, are designed to give teams of 10 young volunteers a full-time training position for six months. To date, nearly 5,000 young people have participated in the Green Corps. This, of course, is one of the government’s big success stories.

Another successful government youth program which I wish to specifically mention is the Job Placement, Employment and Training Program, or JPET as most people know it. Again, most members will be familiar with JPET as the 138 service providers operate all over Australia, contracted to assist around 13,700 young people to the year 2003. This
program is an early intervention program that assists young people aged between 15 and 21 years who are homeless, at risk of becoming homeless, ex-offenders, refugees, wards of the state or former wards of the state. The JPET program provides intensive assistance to these young people to help them overcome a range of barriers which prevent them from participating in employment, education or training options. I have met young people who have had their lives turned around and helped towards a healthier, happier and more secure future as a result of assistance through JPET.

This budget also contains ongoing funding for the government’s Tough on Drugs in Schools Strategy. The government has provided $27.3 million to address this issue to ensure safe and supportive school environments for our children. I am pleased to report that, following the successful satellite link up which was broadcast in March and viewed at over 500 sites around Australia by around 4,000 educators and medical professionals, edited videos of the broadcast are currently being produced. All schools will receive two videos. A longer version of the video is intended for further professional development activities for school staff so that they are better able to inform students of the dangers of illicit and unsanctioned drug use and to identify and help students who may be experimenting with drugs. Schools will also receive a shorter video of the broadcast for screening at local community drug summits to stimulate discussion amongst teachers, parents, local health and welfare professionals, law enforcement representatives and also the wider community.

Building on these initiatives, the Commonwealth government, with the agreement of state and territory ministers, has produced a National Framework for Protocols for Managing the Possession, Use and/or Distribution of Illicit and Other Sanctioned Drugs in Schools. The national framework will assist schools to develop better ways of managing drug use in schools on a nationally consistent basis while allowing for a graduated and local response. The national framework brings to fruition one of the key ‘Tough on Drugs in Schools’ measures agreed to by the Council of Australian Governments in April 1999.

The national framework presents a shared vision which will ensure appropriate procedures for dealing with drugs in schools. The framework focuses on both prevention and early intervention—prevention through education and information within the health curriculum and early intervention which may include referral for a thorough medical assessment of young people to identify the underlying causes of drug use. Each school will receive a copy of the framework, which is a collaborative effort by Commonwealth, state and territory governments and representatives of non-government schools and parents. Our young people are precious and drugs do not discriminate. We must continue to work together to protect our children. Schools cannot act alone and need the support of parents, professionals who work with young people and the wider community to ensure that these strategies are effective.

The announcement of the allocation of $66 million for services for older Australians and $3.8 billion for residential aged care in the budget was good news for the people of my electorate of Adelaide. With 51 nursing homes—the most nursing homes in any electorate in Australia—Adelaide will benefit from the additional resources for the monitoring of issues related to standards of care and the subsidisation of accreditation fees for the aged care industry.

Apart from the many initiatives designed to boost health care in regional areas—one of the key policy initiatives of this budget—there is also good news for people in metropolitan areas. Some $770 million has been allocated for health in this year’s budget. This includes funding of $4 million over four years to promote public awareness about responsible drinking behaviour, a pilot program worth $7.3 million for an early bowel cancer detection program and a national depression initiative to provide a focus for a national approach to combating this insidious condition which is now our leading cause of illness and disability. In any given year, almost 800,000 Australian adults will experience a depressive illness. The health allocation also includes additional funding of $26.1 million over four years to
over four years to the Australia New Zealand Food Authority to continue to manage current and emerging food regulatory issues, $32.1 million over the next four years to the Red Cross Blood Service for new screening procedures and $9 million to establish a national cord blood banking network. Additional funding to the states of around $650 million is to be provided over the last four years of the Australian health care agreements, which will increase the states’ capacity to improve public hospital services.

It is pleasing to note that Commonwealth spending on South Australian public hospitals has increased by $26 million for the next financial year, or by 5.1 per cent. This is despite the sizeable and, I must say, very disappointing reduction in spending by the South Australian government for the same period—a $20.1 million reduction, to be precise. I also welcome the introduction of the National Child Nutrition Program. Some $13 million over the next two years has been allocated for nutrition education to improve the eating habits of children aged nought to 12 years and of their parents and pregnant women through community-based projects. The stronger families and community strategy heralded in the budget is a real bonus for Australian families. It focuses on strengthening families through investing in prevention and early intervention strategies in four priority areas—early childhood, young people, marriage and family relationships and balancing work and family. I seek leave to continue my remarks later.

Leave granted, debate adjourned.

ASSENT TO BILLS

Messages from the Governor-General reported informing the House of assent to the following bills:

Jurisdiction of Courts Legislation Amendment Bill 2000

A New Tax System (Fringe Benefits) Bill 2000

A New Tax System (Medicare Levy Surcharge—Fringe Benefits) Amendment Bill 2000

Medicare Levy Amendment (CPI Indexation) Bill 2000

Customs Tariff Amendment Bill (No. 2) 2000

Therapeutic Goods Amendment Bill (No. 2) 2000

Sitting suspended from 6.30 p.m. to 8.00 p.m.

PETROLEUM EXCISE AMENDMENT (MEASURES TO ADDRESS EVASION) BILL 2000

Second Reading

Debate resumed from 6 April, on motion by Mr McGauran:

That the bill be now read a second time.

Mr KELVIN THOMSON (Wills) (8.00 p.m.)—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:

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

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

(3) notes that the Commonwealth Parliament has a responsibility for ensuring that fuel substitution does not occur, including the testing of retail fuel; and

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

Labor will not oppose the Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000. We do not oppose legislation which deals with fuel substitution and we agree with the statements of Minister Truss back in 1998 concerning this issue. We believe that fuel substitution is a dangerous practice and that it is the responsibility of the federal government to fight it. That is why we will support this legislation. But we do have serious doubts about the ability of the government to really care about the dangerous side effects of fuel substitution. That is why we raised this issue back in February-March of this year and at last, in the form of this legislation, the government is taking action.
It is also good to see advertisements in the *Financial Review* last Friday for the Australian Taxation Office for new assistant commissioners for the Excise Business Line. The job description states that the ‘Assistant Commissioner Excise—Field Services’ will be ‘responsible for the delivery of field services for the Excise Business Line. These services include advisory visits, field audits, investigative and surveillance related activities’. If the Australian Taxation Office is finally going to pick up the ball and start getting into the area of fuel substitution, that is very welcome and we are pleased to have forced the government to take this action. From opposition it is pretty difficult to get legislation passed and the prospects of a private member’s bill getting through the parliament are fairly poor, but we can see here a piece of legislation that the government has drafted and brought before the parliament because we, in opposition, shamed them into it by raising these issues in public.

This bill aims to amend a number of acts, including the Excise Tariff Act, to provide some more lasting measures to combat fuel substitution. In particular, it will amend the Aviation Fuel Revenues (Special Appropriation) Act 1998, the Excise Act 1901, the Excise Tariff Act 1921, the Fuel Blending (Penalty Surcharges) Act 1997, the Fuel Misuse (Penalty Surcharges) Act 1997 and the Fuel Sale (Penalty Surcharges) Act 1997 to replace references to specific excise tariff items with generic descriptions. The Fuel (Penalty Surcharges) Administration Act 1997 will be amended to improve the ability of the government to prosecute those who are undertaking the practice of fuel substitution. The way this is done is by changing the definition of ‘fuel’ to cover a broader range of products and removing the requirement for the Taxation Office to show that allegedly illegally blended fuel has entered into home consumption.

Aside from the safety issues involved, excise evasion has cost the country millions. It has cost at least $100 million—the tax office admits to $100 million, but the figure is probably much higher—through the branding of unleaded fuel as ‘solvent’ and then a further $10 million, once again as admitted by the tax office, through the toluene scandal. All in all, this legislation represents a clear example that the government had failed and had dropped the ball on fuel substitution. There is an exchange from the recent Senate Economics Legislation Committee hearings into the Excise Tariff Amendment Bill 2000 and Customs Tariff Amendment Bill 2000 that sums up just how seriously the government had dropped the ball on fuel substitution. I go back to January 1998 when we saw a press release from Minister Warren Truss proudly announcing the government’s action to stamp out fuel substitution. That press release stated:

The Federal Government is implementing strict new laws, to combat the loss of revenue and stamp out dangerous and illegal practices resulting from fuel substitution. The government was very clear about what it was doing with its legislation. The government said it was going to stamp out fuel substitution. In the Senate Economics Legislation Committee when Senator George Campbell asked both the Australian Taxation Office and the Australian Customs Service about who had responsibility for carrying out the government’s wishes and ensuring consumers were not harmed by fuel substitution, Mr Jackson from the tax office said:

Our legislation does not empower us to deal with the quality of fuel. If people want to mix half a litre of water with half a litre of petrol and say that is petrol and, if they pay the excise on it, they have paid the excise.

Then Mr Burns from Australian Customs said in response to the same question:

I think the point is that it was not Customs responsibility but it was a responsibility of either other Commonwealth agencies or state governments.

To use Senator Kemp’s words, that is one big duckshove. Both agencies said that there was nothing they could do about carrying out Minister Truss’s wishes and concerns about stamping out these dangerous practices because they did not have the power. Whatever the government said back in 1997 and 1998, the Taxation Office and Customs either lacked the capacity or lacked the will to implement the wishes of the government. This legislation seems to confirm, in a sense, what the Taxation Office and Customs were say-
ing. Instead of taking the action that needed to be taken back in 1998 and 1999, we saw Assistant Treasurer Kemp simply trying to evade responsibility for this issue and, indeed, seeking to blame the states.

The problem here is that the government changed its mind from the time that Minister Truss introduced the legislation and said, ‘We are cracking down on fuel substitution,’ to the time when Assistant Treasurer Kemp said, ‘No, this is the states’ problem.’ As a result, the government has dropped the ball and allowed fuel substituters to get away with very dangerous activities. Since 12 July last year when the tax office took over total control of fuel substitution from Customs, we find that only a total of 42 sites have been tested. Of those 42 testings, a total of eight instances of fuel substitution were discovered. So it is still going on all right—that is a 20 per cent incidence of fuel substitution. But compare that meagre number of 42 sites tested with the actions of Customs when they had responsibility for this in the previous year. Their annual report for 1998-99 reported that they had visited 551 test sites, and they found 52 positive instances of fuel substitution. So, once again, Customs detected a very serious level of fuel substitution, but instead of the government acting on that, once it found out there was this kind of problem, it reduced the number of tests, so that Tax has only tested 42 sites since 12 July last year—a 90 per cent reduction in the level of testing.

The other thing we found out from the Senate economics committee and the subsequent estimates process was what happened to the trucks that Customs had bought and fitted out at considerable expense and had taken off conducting fuel testing. We found out that these trucks continued to be available for use, even though the tax office was not using them, and two of the trucks had indeed been sold off. It has taken the government two months to come clean on what has become of the trucks. I first raised the issue of the trucks back at the start of March. Senator Kemp kept avoiding the simple and direct question of where the trucks were. On 1 March, when he was asked about the trucks, he said, ‘I would have to check on that.’ He was asked again the next day, 2 March, whether any monitoring had been done. He said, ‘Those are issues that I will be exploring further with the tax office.’ He was asked again in the Senate on 6 March whether any checking had been done, and he said, ‘I will check on some of the specifics that Senator Sherry has raised.’ And, indeed, those same questions were asked in the Senate hearing on the excise and tariff legislation. Again, the response was, ‘We will have to find out and get back to you.’ It took them until just last week to get the actual answers, and they confirmed my suspicions: first, that the trucks had not been testing—they had only done a tenth of the work that they had done previously under Customs; and, secondly, that two of them had been sold, which of course reduces the effectiveness of the fleet by 30 per cent. Those statistics are damning of the role of Minister Kemp in this area. No wonder the tax commissioner tried to say to us that the tax office is not responsible for the quality of fuel. It gets worse, because I come back to the eight instances of the tax office discovering substituted fuel. How many prosecutions did it undertake? Not one; no prosecutions were initiated. That is an absolutely unsatisfactory situation.

The government are bringing forward this legislation and they say it is going to address the problem, but the point is that they have had people within the industry screaming at them for years to do something about it. They should have ensured that their agencies, whether it was Customs or, more recently, Tax, were doing much more to combat the problem. We hope and expect that this legislation will make needed changes, but we ask the government: why did it take from the time they received correspondence a couple of years back until March this year for changes in the legislation to be made to clean up the problem? Why were the inspections effectively abandoned? Why was there no prosecution action? We all know that the tax office has been preoccupied with the introduction of the GST. There is no doubt in my mind that one of the reasons that this issue has been allowed to slip under the carpet, slip from view, from the time the government made those bold statements and announcements back in 1997, is that the tax office was
preoccupied with the GST and dropped the ball on combating fuel substitution.

Let me turn to a point concerning the reaction of the paint manufacturers. The peak body for paint manufacturers has written to me, seeking an assurance that the changes being made in this bill will not see its members paying increased rates for toluene. This is an issue for the government to respond to, and the government needs to ensure that it does not adversely affect the legitimate users of solvents. I must say that my own examination of the bill does not indicate that there is anything which will adversely affect them, but I can understand their concerns. With the government’s excise changes going back to 10 March, the members of the peak body for paint manufacturers have had to deal with some of the red tape arising from the government’s response at that point.

We support this legislation. We want the government to resume the strong anti-fuel substitution stance that it claimed to have some years ago. For my own part, I think that David Cumming from the RACV summed up the issue well in a submission to the Senate committee on the excise tariff changes when he said:

Canberra must get serious about fuel quality and someone must take responsibility!

The tax office has been claiming that it has not been negligent concerning detecting fuel substitution. On 3 March this year, the tax commissioner, Michael Carmody, said:

The specific issue of the use of imported toluene as a fuel substitute was only raised with us this year. The practice of importing toluene for fuel substitution appears to have arisen in response to measures taken by the government to close off previous evasion practices.

This is utter rubbish, and I will go through the history of this issue in order to demonstrate as much to the parliament. Back on 21 June last year, the Australian Institute of Petroleum wrote to Treasurer Costello, no less, to express—and I will use the institute’s words—‘our concern at the alarming increase in the practice of blending petroleum products to evade excise liabilities’. The institute said:

Unscrupulous operators are blending petroleum products on which little or no excise is payable, such as heating oil and solvents, with diesel and petrol and selling the blended products as diesel and petrol at discounted prices. In addition, large volumes of unleaded petrol and diesel cleared for home consumption and chemically marked for use as other (low excise) products are, in fact, being distributed as unleaded petrol and diesel. In recent months, these practices have been expanding at an alarming rate.

We believe these practices are now so widespread that the loss, in terms of government excise revenue evaded is many millions of dollars a month. Moreover, these practices are depressing wholesale and retail margins for diesel and petrol, and so threatening the financial viability of our marketing member companies and their resellers.

They go on to say that the approach concerning chemical markers to excise evasion has not worked and that the Australian Taxation Office believe that ‘prosecutions under the legislation are unlikely to be successful’, and that new measures are ‘required if the practices are to be eliminated’. The issue here is: what did the government do, given that correspondence and the very strong tone of it?

At the same time, the government was receiving correspondence from petrol companies as well, drawing clear and unequivocal attention to these issues. There was correspondence from Liberty Oil, for example, on 16 June to Senator Vanstone, the Customs minister:

I would like to bring to your attention the well-known and widespread ongoing excise avoidance practice within the oil industry that continues to flourish and which remains unhindered. This practice appears to be immune from any action that may be taken by any of your departments. As a consequence, huge losses of revenue are being sustained by both your government and by legitimate business operators who to date have not received the benefit of any protection whatsoever from this illegal practice.

They talk about a loss of excise duty ‘in excess of $300 million annually’ and about an ‘ongoing potential health risk’ and the possibility of ‘carcinogenic substances entering diesel and motor fuel sold to the public’, and they say that despite meetings held with the Customs Service ‘we remain unconvinced that the government has the intention to or
has provided the necessary resources and means to actively prevent these practices from continuing to occur and expand. They go through the various methods of avoiding excise and they specifically talk about solvents and heating oil, on which no excise has been paid, being ‘mixed with duty-paid unleaded petroleum or diesel in an uncontrolled environment’.

At the same time as they were writing to Senator Vanstone, they were writing to Senator Kemp, the Assistant Treasurer on June 22nd. They said that one of the problems they had was the ‘crossover of responsibility between the Australian Customs Service and the Australian Tax Office’, with ‘no effective preventative action’ being taken. They wrote:

Given the scale of this avoidance we respectfully request your urgent attention and assistance.

Similarly, on 16 June to Treasurer Costello, the same correspondence from Liberty Oil says:

Given the scale of this avoidance we are puzzled by the apparent low priority given to this matter.

It was not just Liberty Oil. APCO Service Stations in Geelong sent similarly extensive correspondence to the Customs minister, Senator Vanstone and to the Attorney-General, the Hon Daryl Williams, dated 31 May 1999 and saying:

It is with grave concern that we bring to your notice the fraudulent use of imported toluol and other refinery products being blended with petrol, eating oil being used and blended with distillate.

... ... ...

It now requires urgent action by Customs And Excise to curtail this practice.

The same organisation, APCO Service Stations, wrote to Treasurer Costello on 6 July 1999. It was the same correspondence and they provided their correspondence to Senator Vanstone and to the Attorney-General, talking about what a serious threat this was to their business and also suggesting that some products could be carcinogenic and requesting urgent action in relation to this matter.

Against all that background, for the tax commissioner to say that the issue of the use of imported toluene was ‘only raised with us this year’ beggars belief. It is simply not believable. When the tax office was quizzed about this at the Senate Economics Committee inquiry recently on 8 May, the tax office had to resort to claiming that the toluene issue had not been raised, by claiming that toluol and toluene were two different products. That is simply unbelievable. According to the Environmental Health Centre of the United States, toluol is merely a synonym for toluene; and both Liberty Oil and APCO have confirmed to me that there is no difference between these products. It is simply like describing leaded petrol as super. This is indefensible hairsplitting on the part of the tax office. For government ministers to receive correspondence in the middle of last year and the tax office to claim that it was unaware of the problem until this year is totally unacceptable. In the meantime, many millions of dollars in excise revenue have been lost and motorists and their vehicles were put at risk.

A number of other significant issues were raised at that Senate Economics Legislation Committee hearing. One of them was that there continues to be an issue with fuel substitution involving naptha—a hydrocarbon that comes out of the distillation process—which is apparently being mixed with petrol. When Liberty Oil mentioned this to the tax office it was taken up with the tax office in the course of the legislation committee’s hearings, because Liberty Oil said:

We do not think there is a legitimate use for naptha....

They said that Liberty Oil had people out at that moment west of Quilpie in Queensland, near the South Australian border, conducting their own investigation to try to get the evidence that that was happening and to try to get the tax office to shut the rort down. Frankly, Liberty Oil should not have to be private investigators in these matters; the tax office should be capable of carrying out this sort of action. Liberty Oil were astonished to get the response from the tax office in the course of those hearings that they, the tax office, had only just become aware of it when Liberty sent a submission to the Senate Economics Committee concerning this issue. Liberty Oil’s representative, Mr Kevin, said he was dumbfounded to hear this. So we find that they have failed to take action concern-
ing that matter as well. Interestingly, in the course of those Senate Economics Committee hearings, Mr Burns, from Customs, said:

One of the frustrations we had was that there was no benchmark of a definition of what is diesel or what is petrol or what is this or what is that ... What continually showed up for Customs was that what we were testing had the characteristics of a wide number of petroleum products and it made enforcement and prosecution and all of those sorts of things very difficult for us—impossible in fact.

When they found this out, what action did the government take? What legislation did they bring into the parliament to address that problem—the fact that, in over 10 per cent of cases, they were finding substituted fuel? What happened was that responsibility got shifted over to the tax office. The tax office solved the problem all right: they simply stopped conducting any further tests. It is only now, after the New South Wales consumer affairs minister, John Watkins, myself and Liberty Oil went public with what we knew about fuel substitution, that the government belatedly has decided to act, and they now bring this legislation before the House.

In conclusion, it is not just in the area of fuel excise that the government and the tax office have been remiss. I draw the attention of the House to problems concerning the collection of tobacco excise. I have received correspondence from Philip Morris about this issue, which describes:

...government tobacco policy being in crisis, with existing government policy driving the creation of a booming black market in tobacco that operates outside of revenue raising and health policy initiatives.

They go on to say:

The value of the illegal tobacco market (known as “chop chop”) is estimated to be in excess of $380 million per annum, and to be costing governments more than $300 million per annum in lost revenue, of which $280 million is in lost excise. Illegal tobacco is available in many tobacconists and independently owned retail outlets.

They further say:

Those involved in the illegal tobacco trade do not consider themselves subject to the same regulatory controls as legitimate operators. As a result, the unchecked growth of the illegal tobacco market and the unchecked distribution channels it creates threaten Federal, State and Territory policies and initiatives enshrined in the National Tobacco Strategy, such as juvenile smoking prevention campaigns, government mandated controls on “tar”, nicotine and carbon monoxide levels, and the application of health warnings and other mandatory packaging requirements.

They also say:

This issue remains of significant concern to the Australian tobacco manufacturers ...

The point about this is that there is estimated to be some $280 million in excise evasion. Despite the size of that sum, no new or dedicated resources are being applied to address the problem. Indeed, there is a suggestion that as the illegal tobacco market becomes increasingly organised we can already see something of the involvement of crime syndicates and other criminal organisations. I think that the government needs to take this issue much more seriously and to focus on the impact of illegal activities on the tobacco industry. It means that manufacturers, retailers and suppliers of legitimate tobacco products are facing substantial costs associated with security for and protection of their product and their staff.

A report has gone to government from a number of manufacturers concerning this issue, pointing out that the illegal tobacco market took off following the abolition of state licence fees in late 1997. The report makes a number of observations about the extent of the chop chop problem, saying that the wholesale price ranges from $45 to $80 per kilogram, with certain retailers selling the product in resealable plastic bags containing 50 grams for approximately $8. This compares with the retail price for legitimate roll-your-own tobacco of $16. Indeed, there have been product improvements in chop chop leading to a much improved final product. As well, there is a steady demand for illegal leaf which has allowed chop chop dealers to purchase quality leaf at a premium price above the market rate paid by legitimate tobacco manufacturers. As a result, the suggestion is that chop chop is now available in a majority of tobacconists and independently owned retail outlets, and that the manufacturing and distribution operations have become quite sophisticated through the acquisition of state-of-the-art cutting and processing equipment.
If you want to look at the size of this market, industry calculations suggest that chop chop accounts for a minimum volume of anywhere between 1,000 and 1,200 tonnes per annum. To put that in perspective, the legitimate roll-your-own tobacco market is 1,400 tonnes per annum, meaning that the illegal market is from 70 per cent to 80 per cent of the total legal roll-your-own market.

I am concerned that once again the tax office, preoccupied and all as it is with GST, is not doing what it needs to do to combat this problem. It needs to dramatically increase the resources devoted to dealing with the illegal tobacco trade and significantly increase the penalties for those convicted in the illegal tobacco trade. We have seen a 13 per cent increase in the price of tobacco as a result of the GST, confirmed by the budget documents. This will only increase the incentive for this sort of illegal activity. The government needs to get serious not only about fuel substitution but also about tobacco excise evasion.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—Is the amendment seconded?

Mr Tanner—I second the amendment.

Debate (on motion by Mr Ronaldson) adjourned.

MAIN COMMITTEE

Madam DEPUTY SPEAKER—I advise the House that the Deputy Speaker has fixed Wednesday, 31 May 2000 at 9.40 a.m. as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

MATTERS REFERRED TO THE MAIN COMMITTEE

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

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

Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000

(2) the following order of the day, government business, be referred to the Main Committee for debate:

Road and rail—Government responses to reports—Motion to take note of paper: Resumption of debate.

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 2000

Second Reading

Debate resumed from 11 May, on motion by Mr McGauran:

That the bill be now read a second time.

Mr TANNER (Melbourne) (8.32 p.m.)—The Local Government (Financial Assistance) Amendment Bill 2000 is yet another piece of legislation that arises from the GST package. It follows the attempt by the government in its initial ANTS package to introduce the GST to abolish financial assistance grants to local government direct from the Commonwealth and to essentially hand over responsibility for providing that finance to the states. Fortunately, Labor was successful in the Senate in moving an amendment to the legislation to ensure that direct Commonwealth financial assistance to the local government sector could continue. This was subsequently superseded by the deal that was agreed to by the government and the Democrats with respect to the entirety of the GST package. As a result of that, this legislation before the House this evening is a new model of Commonwealth assistance to local government, replacing the old financial assistance grants model.

The legislation does a number of things. Firstly, it abolishes the old link between financial assistance grants to local government and financial assistance grants to the states. Previously, the local government grants were in effect a subset of or directly connected to the financial assistance grants to the states. Clearly, as financial assistance grants to the states have been abolished and will cease to exist as of 1 July this year, that nexus could no longer function. Secondly, there is provision for an escalation factor, which is an increase on a real per capita basis each year. That, of course, reflects roughly what has been occurring over the bulk of this decade, that the financial assistance grants to local government have continued to increase on that basis, reflecting both inflation and population increase. It is worth noting that the Treasurer retains a discretion to vary the uplift factor, or the escalation factor, in special circumstances. We obviously will take
some note of that and want to exercise some scrutiny over any attempt to vary that escalation factor. One would assume that if it is varied it is going to be varied down, rather than up.

Thirdly, the legislation implements a provision in the intergovernmental agreement with respect to the GST package which provides that financial assistance grants to local government may be withheld to any local government body which refuses to pay the voluntarily or notional GST payments for which it should be liable. This, of course, also arises from the nature of the GST package and the need to force compliance upon local government for GST payments. This provision ensures that part of the intergovernmental agreement that applies to the execution of those GST liabilities is in fact implemented by the legislation.

Labor is not opposed to the legislation, and in fact is rather pleased at one level that we are seeing the continuation of direct Commonwealth assistance to local government. It is unfortunate that this is occurring in the context of the GST legislation. One or two of the aspects of the legislation are a little bit troubling, nonetheless it is of some significance that we will continue to see local government receiving direct payments from the federal government. However, it is worth noting that the legislation does not restore the $15 million that was cut by the Howard government from federal assistance to local government in 1997-98. Secondly, there is no provision made for any real growth in payments to local government, hence my comments about the escalation factor and the unlikelihood of that actually being raised by discretionary action of the Treasurer.

Thirdly, there is no provision for any substantial support for local government with respect to the costs of implementing the GST. The Municipal Association of Victoria—in the state which I represent in this parliament—estimates that the cost per individual council of implementing the GST is going to be in the vicinity of $1 million per council. That is obviously a rough estimate, and it will vary to some extent from council to council, but there can be no doubt that the cost burden for individual councils for implementing the GST will be quite substantial and will reflect the same sorts of problems in many respects that Australia’s small businesses are already grappling with and finding themselves snowed under from.

When we look at that spectrum of implementation costs for the councils of Australia and contrast that with the provisions that the government has made to defray those costs, we see a fund of $2.5 million, which is barely over a couple of thousand dollars per council to provide assistance for implementing the GST. It is worth noting that the government’s assistance to local government for implementing the GST is grossly inadequate. This legislation, much as it provides for the continuation of federal assistance to local government, does not provide in any way for that particular problem. There is no doubt that that will be a major problem for councils.

Councils throughout Australia operate on very tight budgets. They operate under considerable constraints, particularly in recent times in Victoria where they had severe problems under the former Kennett government. That, hopefully, will be gradually relieved as a result of the election of a Labor government in Victoria.

The withholding of financial assistance grants from local government for failing to comply with the GST and for failing to provide a voluntary or notional GST payment where it is deemed appropriate is an extreme punishment for councils when you consider, first, the cost of implementing the GST, which I have already referred to, and, secondly, the fact that the division 81 determination on which local government activities are exempt from the GST and which are subject to the GST has only just been finalised—on 1 March in fact, so only a couple of months ago. In other words, councils are effectively being told, ‘Comply or else, but it is going to cost you. And, by the way, we will give you very short notice of precisely what it is you have to comply with.’

On the assumption that this legislation does ultimately become law, I urge the government to exercise a degree of constraint and commonsense in dealing with this particular issue because I suspect there will be instances of councils failing to comply for no
other reason than the confusion, the mess and the difficulty that they and many other organisations in this country will experience as a result of the introduction of the GST. So I urge a lenient approach by the government on this particular issue.

It is worth noting in a more general sense that this particular provision is typical of a long-standing and long-term conservative distaste for local government in this country. We need look back no further than the infamous 1988 anti-referendum campaign led by the now Minister for Employment, Workplace Relations and Small Business, Peter Reith, when, amongst other things, he opposed the inclusion of formal recognition of local government in the Australian Constitution. We need look no further than the sorts of funding cuts to local government which I have referred to. Nor, indeed, need we look any further than the harsh implementation of compulsory competitive tendering by the Kennett Liberal government in Victoria which gutted local communities in many areas, particularly in rural Victoria, and created circumstances where, for relatively limited reductions in rates, contractors and local day labour working for councils were put out of jobs and were replaced by fly-in and fly-out operators who live in and spend their money in other communities some distance away.

We also need to look at the way that mergers of councils have been pursued by governments such as the Kennett government. The merger of councils as a general principle in Victoria made a lot of sense; however, in some of the relatively thinly populated small towns in Victoria it caused significant difficulties. In the town where I come from originally—Orbost in East Gippsland—the council was merged. That meant ultimately a slight reduction in rates for the 2,500 people who live in Orbost. It also meant a significant reduction in the number of jobs. There is no question that, for a community of that size which has been suffering population loss and is now one of the most depressed and disadvantaged communities in Victoria, the loss of those jobs and the implications of that far outweigh any rate reductions that came from council rationalisation. All this tells us that these issues need to be approached in a fairly sensitive and commonsense way and that what may be an intelligent strategy for metropolitan Melbourne—where having large numbers of councils with small rate bases makes no sense—is not necessarily a smart strategy for parts of Victoria or other parts of Australia where you have more sparse and thinly spread populations.

Local government is playing an increasingly important role in service delivery in Australia. This is in part because of things like amalgamations in major areas and major provincial cities like Geelong and Bendigo. We have already seen it for many years in large councils such as Townsville and Brisbane in Queensland and in other parts of the country. Of course councils that have critical mass and scale can deliver services at a level which smaller councils that have dotted the landscape in metropolitan areas find it difficult to do.

I certainly believe there is an important future for local government in Australia to deliver services because it is the level of government that is closest to the community and that is in a sense the most representative at that direct local, parochial level. Therefore, it should have a very important role in the delivery of services to local communities and in the making of decisions and the allocation of priorities in the delivery of those services. We should be on about strengthening that role, strengthening the links between local government and the community, and ensuring that there is a formal role for local government in our constitutional framework and that the Commonwealth provides appropriate funding support to local government.

In conclusion, it is pleasing that we still have direct local government funding by the Commonwealth, in spite of the initial intentions of the government. This bill is by no means perfect and there are a number of aspects of it which do give us some cause for concern, but the opposition is not opposing the bill. I move the second reading amendment which stands in my name:

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 expresses its concern that the Government:
(1) has cut Financial Assistance Grants (FAGs) to local government in real terms since coming to office;

(2) attempted to terminate the 25 year Commonwealth local government funding partnership by trying to transfer responsibility for local government FAGs funding to the states;

(3) promised to exempt local government services from the GST before the 1998 election only to renege on this commitment within months of regaining office;

(4) through the GST, has imposed a regressive and unfair tax on essential services provided by local government to communities in regional Australia; and

(5) has hit councils with major GST compliance costs with inadequate compensation or assistance.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—Is the amendment seconded?

Mr Kelvin Thomson—I second the amendment and reserve my right to speak.

Mr SOMLYAY (Fairfax) (8.45 p.m.)—I am very pleased to be able to speak on the Local Government (Financial Assistance) Amendment Bill 2000. It has significance for me, as I was the Minister for Regional Development, Territories and Local Government at the time of the last federal election. The words ‘local government’ do not describe the variety and the differences among local authorities right across this country. Local government is a creature of the states. Local government operates under state legislation in each state. I used to draw a comparison, when I was in Western Australia, between an electorate like Curtin in Western Australia—which at the time was 97 square kilometres in size and had within it, wholly or partially, 12 local authorities—and a local authority in Queensland which had 140 ratepayers and is slightly bigger than Belgium. That is a stark contrast, and it is very difficult for federal government to devise a scheme or a program to meet the needs of local councils right across the country because of the diverse nature of their problems. Some of the big councils in Sydney have a large rate base and a large population and Commonwealth financial assistance grants are only a minute part of their budget, but in the west and the north of Queensland the financial assistance grants provided by the Commonwealth are very much of significance.

Local government in Australia has long called for recognition in the Constitution. When I was the minister, the ALGA and all the state organisations were pushing for that recognition. We have had two referenda on that question which, for reasons peculiar to the conduct of referenda in Australia, were not passed. My answer to local authorities was that it was not my gift to give. It is not the gift of the Commonwealth to give recognition in the Constitution to local authorities. We tell the local authorities that they should convince their states to support recognition for local government in the Constitution. If each state supports it, there will be some chance that constitutional change could come about. But, knowing the history of this country, if there is any significant opposition to constitutional referenda, it will not be passed—and it was not, as I said, on two occasions.

When the government brought out the A New Tax System, the total revenue from the GST was to do away with general purpose grants to the states, including the financial assistance grants to local government. That made sense at the time. Local government was a creature of the states. It was only logical that the local government grants—the financial assistance grants—that the Commonwealth had paid in the past should be paid by the states, and part of the agreement with the states was that, from their GST revenue, they would maintain the real value of the financial assistance grants that local government had received. They would have been no worse off. Unfortunately, as we all know, the A New Tax System did not have the support of the Labor Party in this House or in the Senate, and the government was forced to compromise with the Australian Democrats and maintain direct Commonwealth responsibility for the provision of these financial assistance grants.

Here is a bit of history of the assistance to local government. The Commonwealth has provided general purpose assistance through the states to local governments since 1974-75. Currently, local government assistance takes the form of financial assistance grants...
which are untied, and untied road funding. However, the bases for the level and distribution of this assistance have changed throughout time. For 1974-75 and 1975-76, the Commonwealth Grants Commission assessed the size and distribution of grants and the then Labor government accepted the commission’s recommendations. The main principle the Commonwealth Grants Commission used for intergovernment council distribution was horizontal fiscal equalisation. In 1976 the Fraser government passed the Local Government (Personal Income Tax Sharing) Act. Under this act, local government was entitled to specify the percentage of net personal income tax revenue received in the previous year. This again changed over time. The linkage was retained in the Local Government (Financial Assistance) Act 1995, the legislation under which the Commonwealth now provides assistance to local government. This act provides for local government financial assistance grants and road funding—the road funding to be increased each year in accordance with the escalation factor. The Treasurer determines this factor in line with the underlying movement in general revenue assistance to the states, and the escalation factor reflects, and has reflected, the percentage increase in state financial assistance grants in the current year. The state financial assistance grants in turn reflect indexation for population growth and change in the consumer price index.

The honourable member for Melbourne pointed out that in the financial year of 1996 this escalation factor was frozen for 12 months by the government. At the time, this meant that $15 million was not passed on in terms of the financial assistance grants that the states would normally have got. That was local government’s contribution to bringing the budget back into surplus. In 1996, when the government came to power, we found that rather than being in surplus we had a $10 billion to $12 billion deficit and it was necessary for every government department and every program right across the board to make savings to pay for the deficit that was left behind by the current Leader of the Opposition. Local government had to make this contribution and did. From 1 July 2000, the Commonwealth will cease to pay financial assistance grants to the states, as I have said before, and will replace them with revenue from the goods and services tax. Consequently, the link between local government assistance and general revenue assistance to the states will be severed.

With regard to local road funding and identified road grants, until 1991-92, the states passed on to local governments a substantial amount of specific purpose assistance. The main component was for local roads. The October 1990 special Premiers Conference agreed to untie local road funding and, in 1991-92, this funding was absorbed into local government general revenue assistance. While conditions no longer apply to road grants, they continue to be separately identified as ‘identified road grants’, because road grants are distributed differently to local government financial assistance grants. The states’ grants commissions determine the intrastate distribution of both financial assistance grants and road funding on the basis of fiscal equalisation. Local government road funding is now distributed among the states on the basis of criteria established under the Australian Land Transport Development Act 1988.

In reforming Commonwealth-state financial relations, the Howard government, as part of its reforms of the taxation system, proposed that the states and the Northern Territory assume responsibility for providing general purpose assistance to local government. On 9 April 1999 at the Premiers Conference, the heads of government signed the Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations, which provided, among other things, that states would assume responsibility for funding to local government. To ensure that funding was adequate, the states undertook to maintain growth in local government general purpose assistance on a real per capita basis and to meet existing Commonwealth conditions on the payment of assistance.

Local governments generally opposed transferring responsibility from the Commonwealth. Local governments like to deal with the Commonwealth. Even though they criticise the level of assistance, they prefer to deal with the Commonwealth than with their
own state. Their main concern was that they would incur a reduction in funding. In particular, local governments were concerned that state governments would renege on the undertaking with the Commonwealth and, should that happen, the Commonwealth would not support local government. Another concern was that local government funding would fall behind the funding of other sections of the community. While indexation for population growth and inflation places a ‘floor’ under assistance, indexation does not provide any real growth. Local governments were concerned that they would be further disadvantaged by the GST.

Then came the agreement on the GST following negotiations with the Australian Democrats following the rejection by the Senate of the initial proposed GST legislation. The government negotiated a revised package with the Australian Democrats and, under the terms of the agreement that was reached on 31 May 1999, the government agreed that the Commonwealth would retain responsibility for the payment of these grants to local government. The Local Government (Financial Assistance) Amendment Bill 2000, which is before us at the moment, is the outcome of that process.

The Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations was revised to take account of the changes to the GST agreed between the government and the Australian Democrats. Clause 17 of the revised agreement states:

The parties intend that the Commonwealth, States, Territories and local government and their statutory corporations will operate as if they were subject to the GST legislation.

This clause was inserted so that the government would be subject to the same requirements as other organisations and bodies. Clause 18 of the revised agreement states:

The Commonwealth will legislate to require the States and the Northern Territory to withhold from any local government authority being in breach of Clause 17 a sum representing the amount of unpaid voluntary or notional GST payments. Amounts withheld will form part of the GST revenue pool.

This clause has been inserted to ensure that local governments cannot benefit from Commonwealth assistance if they have not complied with clause 17. I am pleased that the opposition will support this bill.

I turn to the Queensland situation because it is very dear to my electorate. When the Local Government Association of Queensland negotiated with the Peter Beattie government—this was back when the initial package was proposed and the states would take over responsibility for the payment of the financial assistance grants—the Beattie government offered local government in Queensland a fixed proportion of GST revenue. The ALGA and the various state organisations have for a long time tried to negotiate with the Commonwealth to get a fixed share of revenue. The Peter Beattie government offered local government in Queensland a fixed share of GST revenue. Because of the need to negotiate with the Democrats and because the responsibility for the payment of the financial assistance grants reverted to the Commonwealth, the Beattie government did not go ahead with this arrangement with local government in Queensland and then blamed the Commonwealth because the legislation needed to be amended.

It is well within the power of the Beattie government, or any other state government, to top up financial assistance grants from the Commonwealth to the state by however much they wish to. If the Beattie government wish to provide local government in Queensland with a fixed share of revenue from the GST, it is still within their power to do so. When the negotiations with the Democrats were complete, the Peter Beattie government reneged on that arrangement and disappointed local government in Queensland. They still have the option to provide Queensland with a fixed share of revenue. That is a growth revenue and would provide certainty to the funding that these councils get. I commend the bill to the House.

Mr MARTIN (Cunningham) (9.01 p.m.)—It is a great pleasure to speak tonight on the Local Government (Financial Assistance) Amendment Bill 2000 and, in particular, to speak to the raft of provisions in the amendment which the opposition has moved. Although not declining to give the bill a second reading, we have noted five specific is-
sues, and I will touch on some of those on the way through. This legislation is going to fundamentally change the role of state governments in relation to local governments. There is no doubt about that.

I found it interesting to listen to my colleague and friend the member for Fairfax talking about constitutional recognition of local government. I remind him that the last effort of a national government for such constitutional recognition was in 1988, from memory. It was a constitutional amendment proposed by Attorney-General Lionel Bowen, and it did not succeed. It did not succeed not because, as was suggested by the honourable member for Fairfax, the states needed to in some way play a greater role in seeking recognition for local government but purely and simply because the then opposition, now the government—that is, the Liberal Party and the National Party—decided they would oppose it. That is why it did not succeed.

It is generally the fact that, if referenda are put to the people of Australia, sure as eggs they will not succeed if the major political parties are not singing from the same hymn sheet. They will not succeed unless all of the major parties are supportive of those referenda proposals, and that is why most recently we saw the obstructionist and dreadful tactics that the Prime Minister used in the referendum proposal on the change to the Constitution and the debate on the monarchy versus the republic. That is why we saw people on the government side, such as Peter Reith, saying that they were avowed republicans. They went out there and said, ‘We’re not going to get sucked in to this model, but we really are republicans.’ Until you get unanimity of purpose from the major political parties, you will not get constitutional change. You can argue the toss on that all you like, and I think the honourable member for Fairfax would recognise that the last attempt to get recognition for local government failed because the then opposition—now the government—said that they would not support what the then government—the Labor Party—were proposing.

This legislation does clarify the fact that the present Liberal federal government have been trying to absolve themselves from the responsibilities of local government funding since they were first elected in 1996. Despite all the breast beating, the platforms and the resolutions that we see during election campaigns from the Liberal and National parties, they saw quite obviously from day one an opportunity to cut funds for local government, to diminish the recognition that they so rightly deserve and to look at absolving themselves and passing the burden on, in a classic buck passing exercise, to state governments.

Nothing demonstrates this more concisely than the way in which this legislation is caught up with the implementation of the GST and how local government might approach that. Mr Deputy Speaker Hollis, I know you for one would be aware of this, because you and I share the city of Wollongong in our constituencies. I know you have had representations from Wollongong City Council, just as I have, about the way in which the GST might be implemented. I have been told by people in their finance department—and what they have said is fairly reflective of local governments in New South Wales and, I suspect, across Australia—that many of those councils are going to adopt a wait and see attitude in the implementation of the GST when it comes to local government services.

There is no doubt that, if there is going to be a diminution in services, there will naturally be a fairly strong outcry at local government level. People in the local government area of the city of Wollongong—and, indeed, in the city of Shellharbour, which you also so ably represent, Mr Deputy Speaker—will recognise that their services are being diminished because of the increased burden that is going to fall on local government in paying for those services. It will be not because they will get increased revenue from the GST but because the compliance costs and the burden that will fall on local government to administer this complex tax are going to make things very unpleasant for my constituents and your constituents. I do not care what the government says about complexity and how this was supposed to substitute a complex tax—that is, the wholesale sales
tax—with a less complex tax in the GST. That is not the case. With all the exemptions the Treasurer is racing around making to every influence group that likes to knock on his door, it is more and more complex. The advice, therefore, that local government want to get from the Australian Taxation Office is clearly something that they believe is not based on the relative facts of the circumstances, and there are still a lot of uncertain areas associated with it.

The other issue that I think is rather important and should be remarked upon is the fact that the federal government is giving something like $2.5 million to local governments throughout the entire Australian nation to help with the implementation of the GST. That works out at about $2,000 per council. Wollongong City Council will take the $2,000, I am sure, but they will tell you, Mr Deputy Speaker, as they have told me, that it will cost $150,000, if not more, to put the necessary computer equipment in just to handle the most basic elements associated with the application of the GST. So the $2,000 is not going to go too far. The $150,000 plus that they need to implement the GST compliance requirements certainly will not be met by those miserly funds. It is not me saying this; it is coming from local government associations and a whole range of councils right across Australia, and not just councils like Wollongong City Council, which of course is a Labor held council. A range of councils right around Australia are raising concerns about the imposition of the GST on them.

I think it is important to recognise that, whilst we have substantial local government areas, as is the city of Wollongong, we also have small local government areas around this nation. The impact will still be felt by them, and their capacity to respond to compliance and the burden of the GST on them is not going to be matched, as it might be in larger urban areas. I therefore find it quite galling and in fact rather appalling that at last count today the propaganda campaign launched by this government to sell the GST has cost something like $410 million. There will be $410 million worth of Joe Cocker ads on the TV and in the newspapers—everywhere you look—and $2.5 million will be split between every local government area in Australia to help them implement the GST proposal. That $410 million might have been better spent on roads in my electorate or better spent helping with flood mitigation works in my electorate—and indeed your electorate, Mr Deputy Speaker.

When those dreadful storms hit in August two years ago and caused ruination in many of their lives, this Prime Minister came to Wollongong with a lot of tea and sympathy but not much else. What we have subsequently seen, and what we saw prior to the budgets of the last couple of years as well, is the federal government’s contribution to flood mitigation programs around Australia being cut back. So from time to time electorates like mine in Wollongong are faced with major storms, as we had nearly two years ago, but when we seek to get Commonwealth assistance in those flood mitigation works, which I might say the Labor governments used to provide funds for, that assistance has disappeared. As a consequence, there is ruination in the lives of many people.

The expectation then is that, if the Commonwealth government is not going to pick up the assistance programs for that and do all the flood mitigation works, the local government will have to find the money. That expectation falls on councils. It is an unreal expectation, and it is no wonder that councils like Wollongong City Council are saying to their constituents, ‘We know you pay rates, and we know the GST is coming. We would like to have flood mitigation works carried out in places like Cabbage Tree Creek, Thirroul, Scarborough and those areas that were devastated in those storms of two years ago but, unfortunately, that is not going to happen because we have other things that we have to provide.’

Wouldn’t it be terrific if some of the money in that $410 million campaign for Joe Cocker songs and for advertisements was being used on roads? I was watching the national news bulletin tonight on Win Television, and, during the ad break between the sport and the weather, in three out of the five ads Joe Cocker was singing at me and chains were being flung around all over the lounge.
room. Are you going to tell me that is the way a message is being delivered in an information campaign? It is propaganda—nothing less than propaganda. I would not mind a little bit of that $410 million in Wollongong for my local government area, for the city of Wollongong. I would not mind a little bit of that $410 million on some of the road works that are crying out to be done.

Let me give you a few examples. As a matter of fact, Mr Deputy Speaker, I could actually give a few examples from your electorate as well on the way through, since we share that great city of Wollongong. I have here some of the traffic facilities required within the city of Wollongong. First, I go to intersection improvements in Wollongong itself. It will cost an estimated $200,000 to fix the major intersection of Corrimal Street and Campbell Street, which is a black spot; $200,000 for Corrimal Street, Gipps Road and George Place; and $350,000 for Denison Street and Crown Street for traffic signals and some land acquisition.

At Fairy Meadow, the intersection improvement at Carters Lane and Pioneer Road—which is just down the road from my place—will cost $250,000. At Bulli, the intersection of Point Street and Princes Highway is a major trouble spot, as you know, Mr Deputy Speaker. In fact, they have just installed fixed speed cameras down the road from there because it is a major trouble spot. I am sure that, if the intersection improvements of $180,000 could be undertaken by Wollongong City Council, that would add to safety provisions in the city of Wollongong and help to save lives.

At Woonona, an estimated $300,000 is needed for improvements to and possible traffic signals at the intersection of Princes Highway, Campbell Street, Ball Street and Popes Road. Funds of $200,000 are needed at Campbell Street and Thompson Street for intersection improvements, and on it goes. At Thirroul, at the intersection of Lawrence Hargrave Drive and Church Street, bridge widening is needed. The estimated cost at this stage is unknown, but those things do not come cheap, particularly out around Thirroul where the major storms of two years ago had the devastating effect that I have already referred to.

Then we have local area traffic management schemes. It would be nice if $2.3 million could be found for the study at Unanderra, Farmborough Heights and Cordeaux Heights—our joint boundary area, Mr Deputy Speaker. At Figtree, $400,000 is needed for the local area traffic management scheme. Then there are pedestrian facilities at Primbee Public School, Lake Heights Public School—which is in your electorate, Mr Deputy Speaker—Mount Ousley Public School, Illawarra Christian School, Waniora Public School, Austimwer Public School and Hayes Park Public School. The cost of each of those pedestrian facilities ranges from $100,000 down to $25,000. Wouldn’t it be nice to know that somebody was going to provide that money for the safety of our kids? I would not mind turning Joe Cocker off for a short time if we could get some of that $410 million into Wollongong to pay for those facilities, to pay for traffic improvements—instead of the propaganda campaign this government has embarked upon in selling the GST.

Then when we get on to public transport. In the Wollongong central business district, $150,000 is needed for improved lighting, shelters, security information and bus stops and $80,000 is needed for public transport information kiosks. The relocation of bus terminuses and so on also need to be done for costs of that ilk. At Unanderra, similarly, intersection improvements there will cost $100,000.

Yes, the list that Wollongong City Council has is expansive. But it is all in the name of public safety. It is all in the name of improvements to traffic flow, it is all in the name of saving kids’ lives outside schools. Wouldn’t it be lovely—that is a song out of My Fair Lady, I know—wouldn’t it be nice to get a little bit of that $410 million worth of the money that has gone into propaganda going to Wollongong to look after those people? But we do not see any of that; we see none of it. We see a measly $2.5 million being given to the whole of Australia, to every local government area—$2,000 per local government area—to implement the GST,
while $410 million goes on Joe Cocker. It says something about this government's priorities, without a doubt.

As far as this legislation is concerned, there is no doubt that the opposition has some real concerns. We believe, without a doubt, that the full effects of the GST imposition on local government are yet to be felt. We believe that there is an expectation that local councils will be able to absorb the cost burden and provide services that local communities have come to expect. But I have to say to you, Mr Deputy Speaker: I think that is a coalition fantasy. I think that is possibly something that has been dreamed up in the minds of the Treasurer, the Prime Minister and probably the minister for local government. They probably think that, because the wholesale sales tax will come off things for local government, the GST burden will not be as great; you can spread it out, and people will not mind.

I had always been under the apprehension that from time to time a wholesale sales tax burden did not exist for local government; I thought they had a bit of an exemption in there. The Treasurer will run the line ‘Oh yes, but then you have to add in transport costs’—and what were some of the great things he was saying in question time today? Financial services, that is right; the financial services duty tax is going to go. That had an effect on a couple of the issues that we were raising in question time today. I would like the Treasurer to come and explain to the people of Wollongong how the elimination of the financial services duty and the taxes associated with that will have an impact on local government and the provision of roads in the city of Wollongong, and how it will give people an opportunity to get flood mitigation works so that they can sleep at night, particularly in heavy rains. I would like him to do that at some stage—but I will not hold my breath.

There is no doubt that the GST will place an enormous burden on local government. When we say ‘local government’, that means to my constituents, to your constituents in Wollongong, Mr Deputy Speaker, to those people who look to local government to provide services, that there will be a GST on things like going to the swimming pools, and a GST on some of the other services that will be provided. We know that the government has come in and said, ‘Oh no, but in terms of rates, no GST will be applied on rates.’ But a range of other things that governments at the local level provide will be subject to it. Also, the cost of acquisition of computer equipment and so on to see that the compliance costs associated with that can be fairly implemented is something which many of the councils, as I said a little earlier, are concerned about.

Perhaps I will conclude by making a plea. I am sure that it will fall on deaf ears. I am sure that the Treasurer is not one bit interested in this, and certainly the Prime Minister is not. The Prime Minister is just blinkered. The Prime Minister has said that his greatest goal in life in his 25-odd years in public office in this country is to see the implementation of the GST. Well, I have to tell you: that is not much of a goal. As a consequence of that, the opposition have moved their amendment. We have pointed out that the financial assistance grants have been cut to local government in real terms ever since the Liberals came to government in this country; that the government has attempted to terminate the 25-year Commonwealth/local government funding partnership by trying to transfer responsibility for local government FAGs funding to the states. The government had promised to exempt local government services from the GST before the 1980 election, only to renege on this commitment within months of regaining office. Through the GST, the government has imposed a regressive and unfair tax on essential services provided by local governments to communities in regional Australia. Lastly, it has hit councils with major GST compliance costs, with inadequate compensation or assistance.

A very interesting poll was conducted in Wollongong in the last short period of time by the Illawarra Regional Information Service about attitudes of people in our great city of Wollongong to the implementation of the GST. About 60 per cent think it will be worse for the economy and worse for them personally; 20 per cent think it will be okay; and the other 20 per cent at this stage are undecided. I can tell you this, Mr Deputy Speaker: with
the implementation of the GST and the effect it will have on local government and the services local government will no longer be able to provide, that final 20 per cent will make their minds up quickly and join the 60 percent which will become 80 per cent. When people realise that this government continues to underfund and to non-fund essential services that we would like in Wollongong—like flood mitigation works, local road components that we would like to see fixed up, traffic and pedestrian systems that we would like to see repaired, provision of pedestrian crossings outside schools—when my constituents realise that those things are not being provided because this government is abrogating its responsibility to local government, I know what they will say and I know how they will express themselves next time they get that opportunity at the ballot box.

Mr SECKER (Barker) (9.20 p.m.)—Isn’t it interesting that those opposite continue to claim that the so-called Joe Cocker adverts are costing $400 million, when they know that comment is completely misleading? The opposition knows that that is not the case. All of that $400 million is providing valuable information to the public. Those opposite cry out for more information and then complain about the cost. This is typical of the Labor Party’s populist approach to government. I believe that those opposite are deeply concerned about the Joe Cocker ads not for the reasons they are espousing but because those ads are so effective.

I rise to speak on the Local Government (Financial Assistance) Amendment Bill 2000 because of its importance to good government not only at the federal level but also at the local government level. In the years 1981 to 1992, some 11 years, I had the pleasure and privilege to serve as a councillor on the Mount Barker Council. In some ways, it was part of my upbringing. My father had served as a councillor and chairman of the Meadows District Council, and two of his brothers had also served in local government—one as mayor and the other as a councillor. Therefore, four closely related Seekers that I know of have served as councillors on four different councils. So I think, without any false modesty, I can speak with some experience on this matter.

The purpose of the Local Government (Financial Assistance) Amendment Bill 2000 is to give effect to the government’s undertaking to retain responsibility for the payment of general purpose assistance to local government and to maintain the level of such assistance in real per capita terms. Unfortunately, over the years all state governments have taken the opportunity to pass over some of their responsibilities and, more importantly, their costs to local government which has led to local government, in general, saying that these financial assistance grants—or FAGs, as they are known in local government circles—do not keep up with their ever increasing costs. However, I point out that this is not the fault of the Commonwealth government; it is because of the decentralisation process between state and local government. I know that this has been the case in South Australia, and I am sure it has also been the case in other states, and in many ways I applaud the decentralisation of power to local government for local people to make the decisions that affect them. In most cases, local people can best determine the needs and aspirations of their own residents, and it is for the local governments in each state to take the matter of increasing costs to their respective state governments.

It is interesting to note that in South Australia the state government has recently reduced the costs to local government of providing for emergency services with the Emergency Services Levy. Unfortunately, it has not been a popular move because it has been seen as an extra tax rather than a replacement levy, or tax as it really is. Every member of state parliament voted for the Emergency Services Levy because it is a fairer system that spreads the levy over the whole population and removes the costs of providing those valuable services, much of which is provided by volunteers such as the Country Fire Authority and the State Emergency Service.

It also removed the levy from insurance premiums. Unfortunately, those who did not insure or insured offshore were able to get out of paying their fair share toward provid-
ing those valuable emergency services, and the emergency services levy enabled the government to capture this group as well. But the public have not acknowledged that they are no longer paying these two levies. They have looked only at the negative of the levy rather than the positive of not paying the other two levies in local government charges and insurance premiums. I know that, in the Mount Barker Council, the cost of providing emergency services was nearly 10 per cent of the total budget. It seems ironic that, as a councillor of the Mount Barker Council and now as a member of parliament representing the seat of Barker, I get the same problem with A New Tax System whereby many voters look only at the negative aspects of the GST and do not acknowledge the many positive ones such as lower taxes overall, the scrapping of 10 other taxes, including the wholesale sales tax, the removing of huge tax burdens on business, the biggest personal tax cuts in Australia’s history and important tax reform.

But, getting back to this bill, it is also important to put the case that, in general, South Australia is getting a rough deal compared with other states. As many members would realise, local government gets two types of federal grants—the financial assistance grants and the untied road grants. Some states do better than they should in one area and not so good in the other area and vice versa. South Australia, unfortunately, is the only state that does worse than it should in both types of grants, and it is about time there was some sort of equalisation process—although I do know that Queensland argues that it has a similar problem, but it is certainly not to the extent of South Australia.

To look at each grant area would get opposition from each state in turn but in different areas. For example, Tasmania receives far more in road grants than it should—and I will come to that in a minute—but it probably should do better in financial assistance grants. The opposite probably occurs in Western Australia. But, if we put both grants together into one set of grants, there would be less pain and less opposition from other states who overall would not be that much different in an equalisation program similar to the aged care funding equalisation program. There is no valid reason why we could not put the two grants together anyway because they are both untied. We could put them together and call them the local government assistance and roads grant.

I had the privilege of being part of the House of Representatives Standing Committee on Primary Industries and Regional Services visit in November last year to Tasmania. I was amazed at the wonderful road network there in comparison to South Australia. It is no wonder that Tasmania’s road network is far better than ours in South Australia because Tasmania receives the same amount in road grants as South Australia, even though it has a third of the population and is one-fourteenth the size of South Australia. When you ask why and what logical formula is used to work out the road funding grants, there is no logical answer, and the formula was set so long ago that it has been lost in the mists of time. When we look at the basis of the Commonwealth grants to local government, we know that they are provided through the states to local government and have been since 1974-75. This means that, because of this constitutional requirement, the states decide where the grants go and to which councils.

It is interesting to note that the South Australian government recently changed the allocations to give more emphasis to rural councils and, as a result, the rural councils were smiling because they got extra money. For example, in my electorate of Barker, the regional city of Mount Gambier screamed blue murder because they got less. They do have an argument, however, because they got much less than the regional centre of Whyalla, which has about the same population as Mount Gambier. In 1976, the Fraser government passed the Local Government Personal Income Tax Sharing Act, which entitled local government to a specified percentage of net personal income tax revenue received in the previous year. The distribution of this revenue was based on horizontal equalisation principles, which most members of this parliament would agree with. In May 1984, the then government established the national inquiry into local government finance, referred to as the Self report after its
chairman, Professor Peter Self. After considering the report, the Hawke government abandoned the tax sharing arrangements of the Fraser government and tied the general revenue funding to growth in general purpose funding to the states.

The problem with the Hawke government decision was that, although this indexation places a floor under assistance, indexation does not provide any real growth. One of the policies that I pursued was to ensure that local government received a fixed percentage of the GST revenue, which will of course all go to the states. This way local government would have received the same benefits as the states and would have been part of a growth tax which grew with consumption. Because the Labor Party and a certain Senator Harradine in the other house would not see reason, it became necessary for this government to accept amendments from the Democrats in the Senate, especially in regard to food being GST free.

Not only have these amendments meant that we now have extra compliance problems and exemptions—and we see that in the meat processing industry, the fruit industry, the egg industry and so on—but, because this meant a huge reduction in the GST revenue going to the states, this has led to the need for the Commonwealth government to continue the type of funding that this bill allows for rather than allow local government to be part of receiving the same benefits as the state governments. It is unfortunate that local government did not lobby the Democrats, Senator Harradine or the Labor Party successfully to show this problem. It is also unfortunate that the Labor Party chose the path of cheap populism instead of a more responsible path. If the Labor Party had put the good of the nation ahead of their own short-term populism, then we could have come up with a better tax reform system with fewer compliance costs, compliance anomalies and a guarantee to local government of a growing revenue.

In essence, this bill proposes the continuation of existing practice whereby local government general purpose assistance is indexed to population and inflation. This does provide for a floor in grants to local government. I hoped that the Labor Party would have acted more responsibly than they have tonight with the silly amendments they have moved because, if this amendment does not pass through both houses of parliament by 30 June 2000, just one month away, then the Commonwealth will be unable to pay financial assistance grants to local government for the next financial year. This amendment honours the government’s commitment in the original tax reform plan to maintain the funding guarantee arrangements for local government on a real per capita basis. But, as I said before, because of the Labor Party’s intransigence, we have no chance whatsoever of having a fixed year of GST revenue for local government, which I am sure would have suited local government bodies all over Australia and would have provided a lot of those services which the previous opposition speaker spoke about.

This amendment also provides a mechanism to encourage local government bodies to register for an ABN, Australian Business Number, so that each council is part of the GST system and receives the benefit. I noted that the previous speaker did suggest that local government was wholesale sales tax exempt. That is correct. For example, the purchase of motor vehicles will still be wholesale sales tax exempt and, when the full input credits come into place in the year 2002, they will receive that rebate. But it fails to recognise that there are a lot of embedded wholesale sales taxes in the things that they purchase which make those things more expensive and the present Labor Party wholesale sales tax system does not enable them to get an input credit for those wholesale sales tax costs. Of course the Labor Party would not want to let the truth get in the way of a good story.

This amendment continues the Commonwealth’s funding of local government on a real per capita basis with an annual escalation factor, and the coalition is honouring its pre-election commitment and also the commitment that government later made in the agreement with the Democrats. The opposition may be critical that the bill does not contain provision to prevent the Treasurer using his discretion to determine the escala-
tion factor, as had to happen in 1996 to account for Beazley’s black hole. The response to this is that the relevant section is not being changed significantly from Labor’s 1995 act which allowed the Treasurer to make such changes. The opposition may also claim that this is an opportunity of providing local government with a fixed percentage of Commonwealth revenue. I think the response to this is that Labor had 13 years to do this when they were in government and also that these amendments maintain a similar escalation factor as existed under Labor. I commend this bill to the House.

Mr EMERSON (Rankin) (9.35 p.m.)—The member for Barker is a living example of the constitutional incapacity of the government to tell the truth. We have just heard from him a statement that, as result of the government’s tax changes, 10 taxes will be abolished. That is completely untrue. The truth is that four taxes will be abolished. It is true that the government gave an election promise before the last election that it would abolish 10 taxes by introducing the GST. But, as I said, only four are going. The four that are going are: the wholesale sales tax, a bed tax that applies to some hotels in New South Wales and the Northern Territory, financial institutions duty and stamp duty on shares. I fail to see how the removal of a bed tax on some hotels in New South Wales and the Northern Territory would benefit the constituents of the member for Barker one iota.

This is just another example of government members and the government publicity campaign—now amounting to over $400 million—spreading completely untrue statements about the tax changes, the risky tax scheme that this government is putting in place in just one month’s time. I can go on to point out the range of taxes that will stay. There is a perception, because of this publicity campaign and because of the statements by people such as the member for Barker, that a whole lot of taxes are going. These are just some of the taxes that are staying: income tax, payroll tax, alcohol excise, cigarette excise, petrol excise, diesel excise, stamp duty on buying a house, stamp duty on hire purchase, stamp duty on insurance, stamp duty on cheques, stamp duty on mortgages, bank account debits tax, customs duty, gambling taxes, other state fees and charges and local council rates, fees and charges.

So the very deal that the member for Barker referred to—that is, the Howard-Lees deal—in fact resulted in an outcome where only four taxes are going, not the 10 that the member for Barker has just asserted. He knows other details of the deal, because he lamented the fact that some food items are now going to be exempt from the GST, and he said, ‘If we did not have the exemption on a range of fresh food products, then we could do a lot more.’ So we are already seeing demonstrated the agenda of the government—if Australia were to be so unlucky for this government to be re-elected—which is clearly to roll the GST forward. Government members are lamenting the deal that they did with the Democrats to exempt many food items from the GST. They are saying, ‘Wouldn’t it be terrific if we could actually be re-elected and then we could roll the GST forward so that the GST would apply to all food items,’ which in fact is precisely what the Treasurer, the member for Barker and the Prime Minister want. I refer to a statement made by the Treasurer not very long ago, on 24 January this year, on radio 3AW. He said: Every time you go for an exemption you get into a complication. I argued this in relation to food. You can recall I was arguing all the way through the tax debate that you should have food included as a good.

This is obviously the sense of the party room discussion of the government—that they want the GST rolled forward on to food, which has always been their agenda and has always been what they wanted, and the member for Barker has yet again confirmed that in his speech tonight.

This bill proposes to maintain real per capita grants to local councils, but it proposes to maintain those real per capita grants from a base that was reduced by $15 million in 1997-98 and has never been replaced. From a lower base, the bill proposes to maintain payments—financial assistance grants—to local governments in real per capita terms. But local councils will now face a major new expense, and that is the implementation of the GST and the compliance costs for the
GST. We may ask, ‘What allowance has been made by this government to cover the compliance costs that are being confronted by local councils right here and now?’ because they have only a month before the GST is implemented and many councils are under-prepared for that. The answer is that the government has allocated only $3.5 million to help local councils with their GST implementation costs. The Senate estimates process of 25 May revealed that the government has spent only $2½ million of this. So that amount of $2.5 million is equivalent to just $2,000 per council. This government is providing to local councils an average of $2,000 to cover the compliance and implementation costs of the GST. It is saying to the local councils, ‘Wow, have we got a really good deal for you.’

The reality is that medium sized councils face a bill of around $100,000 to upgrade their computers and to train their staff for the GST. I can give you some further estimates: the Municipal Association of Victoria estimates that individual councils face costs of around $1 million each to implement the GST, the Western Australia Municipal Association estimates that the total state bill to implement the GST will be $3.5 million and the Local Government Association of Queensland, in my home state, has estimated a total state bill of $7 million to implement the GST. Yet this government is offering the miserly sum of an average of $2,000 per council to implement the GST.

Astonishingly, the Minister for Regional Services, Territories and Local Government would have us believe that there is no impact on local councils, that there is no need to provide any sort of compensation for the compliance costs of the GST, because there will be no impact whatsoever. I refer to a statement made by the minister for local government in the Jimboomba Times on 10 March 1999. The minister, Senator Ian Macdonald, had met with Beaudesert Shire Council to promote the coalition’s GST tax reform package. The Jimboomba Times article said:

Senator Macdonald said despite recent negative publicity the GST package would “not impact on Councils at all” and would not result in increased Council charges for ratepayers.

That is what the minister for local government wanted people to believe, that there would be no impact on local councils at all. He then went on to say something even more astonishing:

There are no downsides for Councils and there are some positives.

So there is the minister for local government saying, ‘We do not need to compensate local councils at all’—not even the miserly amount of $2,000—‘because there are no downsides for councils at all and there will be no impact of the GST whatsoever.’ I had an article published in the Jimboomba Times refuting that claim, because it was a ridiculous claim by the minister. Then the minister wrote back. In a letter to the editor in the Jimboomba Times on 24 April 1999, he said:

In the Jimboomba Times March 24, the Labor Member for Rankin “called upon me to provide accurate information about the GST’s impact” on the Beaudesert Shire Council.

I certainly did, and in response to that he did make one very important admission in his letter:

Where Councils do provide a fee for service for commercial activities then this will, like every other commercial service attract a 10 percent GST.

Just a few weeks beforehand, he was saying there would be no impact on local councils at all and no downsides whatsoever, and then in response to my article published in the Jimboomba Times he at least, to some extent, came clean and said, ‘Of course there will be impacts on local councils.’ The local councils of Australia have been under extreme pressure as a result of the GST because they were begging this government to produce a determination of exempt taxes, fees and charges, and that determination was finally produced in draft form on 31 January and gazetted on 1 March, just a couple of months ago. So local councils have had about four months to deal with the whole issue of which fees and charges are going to be included, and therefore subject to the GST, and which fees and charges are going to be GST exempt.

In my local area, the Local Government Association of Queensland had done a study for Logan City Council that said that up to 263 of its charges may be subject to the GST.
They were living in an environment of great uncertainty until finally this determination came out, which runs to approximately 300 pages. The councils have had to sift through these fees and charges to work out which ones will have GST on them, because these are the exempt fees and charges. It has been a nightmare for local councils to prepare, and yet this government went to the last election saying that there would be no impact on local councils. We had it repeated by the local government minister quite recently, as I said. In fact, during the 1998 election campaign, the coalition promised local government that non-commercial activities of councils, for which a nominal charge is applied, would be GST free. That advice was given to local government by way of a letter written by the Federal Director of the Liberal Party, Mr Lynton Crosby, on behalf of the Prime Minister of Australia on 17 September 1998, where he said:

The non-commercial activities of government will be outside the scope of the GST. This means that where a service is provided free of charge or for a nominal charge, the GST will not apply.

Subsequently, at Senate estimates hearings on 19 February 1999, in response to questioning from Senator Sue Mackay, the local government minister said:

I am aware—and I guess you are coming on to this; perhaps I can pre-empt this long tortuous process—there is a letter from the Liberal Party campaign office prior to the election suggesting that nominal charges would be exempt. That is not correct. To all intents and purposes it is correct, because if the nominal charge is 10c the GST will be 1c. But it is on the charge that is made.

It became clear that the government would define all activities of local government for which a nominal fee or charge is levied as being commercial, even though these activities are community service obligations and they are heavily subsidised by rates and are not attractive to the private sector. When he became aware of all of this, the local government councillor, John Campbell, President of the Australian Local Government Association, said at the Senate Select Committee hearing in Brisbane in March 1999:

We responded and accepted this undertaking at face value and, therefore, communicated it to all our councils....It was taken as a letter of comfort that, indeed, those non-commercial services, in our terms—basically, the provision of services with nominal charges—would be GST free. We took it at face value ... If it was a mistake, it should have been drawn to our attention ... That raises the question: what is the basis of undertakings given by political parties before an election? Does that mean we should not accept a response from somebody who presents themselves as speaking on behalf of the Prime Minister or the Leader of the Opposition, whoever it is? It really adds to the concern about the credibility of any undertaking being given.

There we have it from the President of the Australian Local Government Association, completely disillusioned as a result of the Director of the Liberal Party misleading local councils into believing that these fees and charges would not attract the GST. It was only after the election, under pressure and under questioning from Senator Sue Mackay, that they had to concede that, yes, in fact, these fees and charges would attract the GST. That is the living nightmare for local councils.

I want to inform the House of the range of fees and charges that will, in fact, attract the GST. Just some of those council services that will attract the GST are cremation fees, fire maps, sale of bins, sundry rubbish removal, library membership, library fax machine charges, sports ground and reserve hire fees, catering fees, netball court hire, dog obedience classes, plant and machine hire fees, car parking charges, fire hazard inspection fees, sale of rainwater tanks, swimming pool admission fees, library photocopying charges, senior citizens centre hire fees, recreation centre fees, tennis court hire, basketball court hire, adult day centres, and fees for removing rubbish. We have the minister for local government saying that the GST will not affect councils at all and that there are no downsides for councils, and yet these are just some of the fees and charges that will attract the GST.

In my own electorate of Rankin, Logan City Council will have to apply a GST to the hire of places like the Kingston Butter Factory, the Logan West Community Centre, the Cornubia Leisure Centre and a whole range of other community facilities which are provided not for profit but to community groups...
who are trying to make ends meet and who are trying to provide volunteer services to strengthen the community. Yet they are now going to be slugged with the GST—a GST that this government promised before the last election would not apply. How can we believe anything this government says about the GST?

In its $410 million advertising and publicity campaign, there is a litany of misleading or completely untrue statements, and this government continue to perpetrate those statements. They are doing so, shamefully, at taxpayers’ expense. They know what they are saying is untrue, but what they think they can achieve by this is for people to believe that the GST will not be so bad after all—because, if they believe the $410 million worth of government propaganda, perhaps they will believe that they are, in fact, not worse off. It is just one month until the GST comes in, and the people will make their judgment. People who use local council services will make their judgment upon this government as it told them before the last election and on several occasions after the last election that the hire of community halls, basic services and swimming pools would not attract the GST—when all along this government knew that it would indeed attract the GST.

There is an entire issue of trust at hand here. This government has lost all credibility and it has lost the trust of the people. It is trying to spend $410 million to restore the people’s trust, yet is attempting to do so by misleading people with these false claims in its advertising and publicity campaigns. It will not work. We know that people are very well equipped and able to work out whether they are worse off under this GST. Thousands upon thousands of Australians will be worse off under the GST, and thousands of Australians who provide volunteer services to try to strengthen our community and who hire local council facilities in order to do that, will now be slugged by the GST. The Australian people and those volunteers, those good people in our local communities, will make their judgment on this government after 1 July.

Mr HARDGRAVE (Moreton) (9.53 p.m.)—Certainly my electoral neighbour and colleague the member for Rankin is right in part in his summation of his contribution to this debate tonight. One identifiable group in the community will be worse off after 1 July, and they will be the Labor Party members of parliament who have spent the last couple of years running around trying to perpetuate their confected anger about the government’s taxation proposals, proposals that were clearly outlined and accurately enunciated prior to the last election—and guess what? Being implemented in full, apart from what has been tampered with in the other place. The most extraordinary thing about all the contributions we hear from those opposite when it comes to discussion about this taxation system which starts on 1 July is that, if it was all so bad, why didn’t they just pass in the Senate everything that this government promised it would do, bring it into law, expose it to the people and then reap the electoral goodwill that they believed would come? The fact of the matter is that those opposite are now stuck like flies to sticky paper, as Sir Joh Bjelke Peterson used to say. They are stuck on the flypaper.

Mr Emerson interjecting—

Mr HARDGRAVE—Don’t you worry about that, member for Rankin. After 1 July the people of Australia will be able to judge for themselves because they will clearly know that their pay packets, their pension packets and their cost of living will alter in such a way that there will be a positive result for them.

The other part of the argument that clearly needs to be rebuked and outlined is that, for some reason or other, the member for Rankin believes that councils in this country are somehow or other creatures of the Commonwealth. My conscience is clear on the matter of recognition of local authorities. I remember voting yes in a referendum about a dozen years ago for them to have some sort of constitutional recognition. Although I think in hindsight an awkward proposition was put, nevertheless in good faith I voted in favour of that particular proposition. The fact of the matter is that councils are created under acts of the various state governments. One would submit that any contribution made by the Commonwealth—and we make a lot of con-
tributions to local authorities; I will go into that in detail in a moment—will always be subject to two things: firstly, the ability of councils to generate their own income through rates, fees and charges; and, secondly, the obligation of the states to properly finance those instrumentalities that they themselves create—or, for that matter, destroy—by act of parliament.

The overall obligation as far as local authorities are concerned constitutionally, ethically and legislatively certainly rests with the state government ahead of the Commonwealth. Despite that, the Commonwealth government contributes a massive amount of direct federal assistance in the form of federal assistance grants, FAGs—$1.32 billion in this most recent budget; $1.32 billion of additional top up. In regard to my own state of Queensland, it is $169.9 million in general purpose grants, and for local roads an additional $76.1 million. That is a total of $246 million into the state of Queensland. To dissect that a little further, in my own electorate of Moreton, which is serviced by two city councils, Logan City Council, the third largest local authority in Queensland, received a total of $3.979453 million in 1999-2000, while the Brisbane City Council received $20.326878 million in the same financial year. That is about $24½ million going to the councils which service the people of the Moreton electorate. I have to say that that is a sizeable contribution from the Commonwealth government—which is really only adding top ups and extras—to something that is the responsibility of the states. Given that the central premise of one of the great reforms that comes out of this new taxation system is a growth tax that goes directly to the states—the goods and services tax—the states will be even more well disposed to providing additional funds whenever necessary to the instrumentalities they create or destroy, that is, the local authorities. Despite all that, the Commonwealth maintains, and will continue to maintain, a direct funding commitment in the form of federal assistance grants to give the councils the extra—the edge, if you like. In that regard, I think it is only right and proper that in this place we raise from time to time those sorts of local government issues. If we have a stake in the performance of local authorities through the money that we contribute, then we should be able to critique and comment on those matters.

I want to pay a quick tribute to Senator the Hon. Ian Macdonald, the Minister for Regional Services, Territories and Local Government, and the minister directly responsible for this. A colleague of mine from Queensland, Senator Macdonald has never been afraid, particularly with his strong local government direct representation role in the past, to make himself available to inspect firsthand just how well that money is actually spent in various local authorities. In fact, in recent times in the lead-up to the local government elections that occurred in Queensland Senator Macdonald rightly made himself available to attend public meetings in the city of Brisbane. But it is extraordinary how paranoid and outrageous was the reception received by Senator Macdonald from Labor councillors. For that matter, I think even the member for Oxley was at this particular meeting I remember at Acacia Ridge. How outrageous and how paranoid they were to think that someone with authority, someone with some understanding of local government matters, could actually come and speak to local people about the parlous state of representation that they were having to endure from Labor Party councillors in the city of Brisbane.

There is no doubt that there is a huge arrogance and moral corruption, at the very least, associated with the Soorley administration in Brisbane. I say so against the background of knowing that there are ratepayer funded spin doctors who are out there—day in, day out—perpetuating and creating myths of their own amongst media outlets in the city of Brisbane. It is all designed for political purposes, funded by the ratepayers of Brisbane. So when I see $20-odd million going into the City of Brisbane from the Commonwealth I start to wonder how much further that money could go if we were not paying for something like 57 spin doctors—PR agents and journalists on the payroll of the City of Brisbane following the direction of this arrogant lord mayor that we have in Brisbane. These are spin doctors who get onto media outlets and
create stories about mobile phone towers; who are trying to suggest that after 3½ years of having powers under the Telecommunications Act 1997, which rightly gives planning priority on mobile phone towers to the hands of local authorities, somehow or other in some mysterious way every mobile phone tower that goes up around the city of Brisbane is the fault of ‘Johnny Howard’—according to what the Lord Mayor of Brisbane told the council chamber on 16 May this year—or Peter Costello. The Lord Mayor said in fact that the Prime Minister and the Treasurer are:

... ripping the money out of the community to put a tower on that corner, we want one on this corner, put a tower on this building.

That is some reflection perhaps on the budget surplus that was achieved. It is a pathetic irony that the Lord Mayor of Brisbane should be complaining about the powers that he has had for the last 3½ years—powers that he never had under the previous government—to properly coordinate and plan the placement of infrastructure for telecommunications in Brisbane. I find it awfully amusing—and Mr Deputy Speaker Nehl, you would not be surprised to know this—that the Lord Mayor of Brisbane does not particularly like me. The Lord Mayor of Brisbane, in fact, told the council chamber:

... when the next Federal election comes, let me tell Gary Hardgrave down there in Moreton I’ll be going around every street down there where there’s one—

I think he is talking about mobile phone towers—

and I’ll be calling a meeting and saying listen this tower is here because of Gary Hardgrave, this tower is here because of Gary Hardgrave.

The fact of the matter is every tower that goes into Brisbane is there because the Lord Mayor of Brisbane and his council have planned it accordingly. It is a very simple matter. To prove that point even more it is worth knowing that the Brisbane City Council is in fact enjoying about a $2 million per year bonus—the Lord Mayor told the council chamber today—which they are making out of the fees that they collect from the towers when they are sited as a result of the planning that has occurred.

Mr Sciacca—Only the high impact towers.

Mr HARDGRAVE—The member for Bowman talks about high impact towers. What is interesting is that under the Telecommunications Act 1997 there is a specified regulation which says very clearly that no telecommunications tower can be regarded as low impact, which is the other myth that the Lord Mayor has his 57 spin doctors working on. He is trying to get up this line that the Commonwealth retains some power to plan low impact facilities, and that is certainly true, but no new telecommunications tower—by the definition contained within the act—is in fact a low impact tower. So it is the big fib that is being perpetuated by the spin doctors at the behest of the Lord Mayor of Brisbane.

This Lord Mayor of Brisbane during the lead-up to the council election campaign picked up the phone and abused a constituent of mine. He could have abused a number of people around Brisbane. But Mrs Jean Burnett, an 83-year-old lady who lives at Moorooka, had committed the mortal sin of criticising the Lord Mayor of Brisbane because the 116 bus route did not go where she felt it should and did not give her the sort of bus service she believed she needed. After Mrs Burnett wrote a letter praising my efforts—because she had given up on the local councillor; he did not return phone calls; she had given up on the Lord Mayor of Brisbane—to represent her concern in regard to a bus route, which I would do again tomorrow, the Lord Mayor of Brisbane rang her up at 5.20 one afternoon and tore shreds off her. This is an act of the Lord Mayor of Brisbane, a man who is paid as much in benefits as the Prime Minister of this country. I think that is a form of thuggery that should not go unrecorded in this place. The Lord Mayor of Brisbane has arrogance that knows virtually no bounds.

I, as a federal member of parliament, will continue to take an interest in local government matters in my electorate, for a number of reasons. One is because of the money that we as a level of government put into local government in Brisbane alone, and the other is because people are just not getting the performance they want out of this current Bris-
bane City Council. I have fixed more cracked footpaths, more blocked sewerage mains and more potholes than I care to even think about. Why? Because people give up on their local Labor councillors and pick up the phone and call me. The heart of the matter is the Lord Mayor has a real desire to campaign against me at the next federal election because he knows that I keep doing the job that his own councillors are not doing. He has written to me and threatened to campaign strongly against me at the next federal election. Quite frankly, based on the substance of his arguments to date, I am looking forward to just that.

The Lord Mayor of Brisbane, I guess, at the heart of the matter is upset because we got a 6½ per cent swing against him in my area. Whilst it was not a city-wide result, it was certainly a strong result against him. Why? Because I pointed out very clearly to the people of Brisbane that this Lord Mayor will not help the unemployed in our city by providing Work for the Dole programs, by giving support and sponsorship and assistance to those community groups, those church groups in my electorate that are having to pick up the cudgel while the biggest employer of people in my city turns its back on the young unemployed. The people of my electorate have responded in strong numbers—about 1,100 physical responses to me in an electorate-wide survey from people who want the Lord Mayor of Brisbane to pull his head in and to stop this arrogant anti-federal government stance that he has and to cooperate with the Work for the Dole program to provide opportunities to young people.

On another front, the Lord Mayor of Brisbane has his spin doctors telling community groups that, as a result of the new tax system, they will have to meet the cost of the GST on any grant they get from the council. This particular Lord Mayor of Brisbane is good at giving grants—he gives out a little bit here and a little bit there to various community groups trying to curry a bit of favour. But he has not told the full story—that, as a result of the new taxation system, he should and must give more in the form of a grant and then repatriate that additional cost against his own input tax possibilities as a registered entity under the ABN scheme and the new taxation system. So we have the Lord Mayor of Brisbane trying to blame the government for giving less. Any community group that gets less from the Brisbane City Council after 1 July is getting less because of the direct decision of the Lord Mayor of Brisbane and his Labor council rather than anything to do with the new taxation system.

Self-funded retirees in my area are still waiting to be treated the same way as pensioned retirees in the form of lower household rates. The Lord Mayor will not give self-funded retirees the opportunity to have a rate rebate, to have a certain rebate returned on the rates that they pay. There is no reward for effort for self-funded retirees. Then there is the matter of proper truck and transport corridors around Brisbane. People in my electorate are facing day in and day out the problems of trucks finding their own way around the city of Brisbane without any proper signage recommending the correct route to follow. I have mentioned in this place—on too many occasions, I guess, for those opposite—the facts surrounding the Griffith arterial road, which is the combination of Granard, Riawena, Kessels and Mount Gravatt-Capalaba roads that link Ipswich Road and the Gateway Arterial. They basically form the national road freight corridor—a corridor created by a sleazy little deal in 1991 when the then state Labor government and the then federal Labor government agreed to swap responsibilities. Basically, the state gave the federal government the road and as a result they effected a potential cost shift.

Labor councillors and the Labor Lord Mayor of Brisbane are running around trying to blame the federal government for the noise from that road when we only have noise from the trucks on that road because of their complete failure to properly plan and offer designated truck routes through suburban Brisbane. I have got people who back out onto that road daily. They play Russian roulette with B-double trucks, trucks that really do not want to travel on that road because it is poorly designed for the purpose that it has
been set aside for by this lazy and sleazy deal that happened in 1991.

When I look at the amount of money that goes into the City of Brisbane from the Commonwealth and I look at the matters contained within this bill, I see we are helping out and are providing an additional, extra, boost of funds. But I think it is incumbent upon me to remind all that it is important for this council to actually do some of the things that people expect it to do. Local government is supposed to be the level of government closest to the people. We have in place in Brisbane—and, sadly, we will have it there for a few more years yet because they have just been re-elected—the most arrogant of administrations. So soon after their re-election in late March we have seen a retirement from responsibility by Labor Party councillors. We have seen a Lord Mayor of Brisbane who is already retiring from public events which he used to go to. We have seen Labor councillors on extended holidays, being not available and not showing up to fetes and things like that which they always used to show up to. We have already seen them go into slow mode. They have discredited the concept of four-year terms. They are the first councillors who have been elected for a four-year term in Queensland. They have discredited it already because so soon into their four-year term so many of them have retired from—

Mr Sciacca—On a point of order, Mr Deputy Speaker: the member cannot possibly say that. They have been re-elected for about three or four weeks. How you can work out that they—

Mr DEPUTY SPEAKER (Mr Nehl)—There is no point of order. Resume your seat. The honourable member for Moreton has the call.

Mr HARDGRAVE—The member for Bowman represents an area that in the main includes a completely different council to Brisbane. He does not necessarily fully understand exactly what is occurring in my area—fortunately, he is not the representative, I am. But it is a statement of fact that we have already seen this administration retire from the activities of council. The Lord Mayor of Brisbane has forecast that this is his last term and I suspect that, the further we go into the four years, the less we will see of him—and a lot of people in my area cannot wait for the day when he has finally gone.

Mr Kerr (Denison) (10.13 p.m.)—The Local Government (Financial Assistance) Amendment Bill 2000 provides an opportunity to reflect on two things: firstly, the way in which local government is being reduced in status and effectiveness by the changes that the government is implementing through its GST measures; and, secondly, the way in which we as a community ought to address some larger trends that are emerging in relation to the growing division between affluence and poverty within our society and between this country and other countries. I will address the first issue—that of the goods and services tax—initially because that is the thrust of this legislation and will be the focus, I am certain, of the bulk of this debate.

We have a government that, firstly, should be held to account for a fundamental breach of a commitment that it made—that local government funding would be exempt from the goods and services tax. Good local government and its activities were promised that exemption and that has been breached. It has been breached in a way which will damage the interests of every ratepayer in every municipality in this country.

The second point I make is that there have been very grave deficiencies in the implementation of the funding arrangements. The $15 million taken as a reduction in financial assistance grants funding for 1997-98 has not been replaced, there has been no commitment to provide for real growth in financial support for local government and local government has not been provided with effective and timely advice for the wide range of community based services that will attract the goods and services tax.

That said, I want to turn to a few specifics. Increasingly, local governments are being confronted with some of the consequences of a government that is shifting responsibility from the public sector to the private sector and we are starting to see a corrosion of the public sector. One of the things that I want to focus on tonight is the idea growing in this community that we can tolerate ‘gated com-
munities’. These are an abomination which should not be facilitated by forward thinking local government. Gated communities are a phenomenon that grew up in the United States, where large land developers started to put together groups of housing, surrounded them with fences to hold out the rest of the community and secured those gated environments with private security guards. That kind of accommodation is now widespread not just in some parts of the United States but also in large parts of South America, in some parts of Africa and in other societies where great gulfs exist between wealth and poverty. The problem is that it exacerbates what we are starting to see in the unravelling of the social compact that holds us together as members of a single community. What holds us together as members of a single community is that which we hold in common: the public domain. Increasingly, that which we used to take for granted as part of the public domain is being reduced.

Private provision is becoming the preferred mode of provision, and the public is becoming the residual provision provided to those who cannot afford access to privately funded services. We have almost become immune to debate about these things. We see it most obviously in the provision of public health, where this government has moved away from a fundamental first order commitment to funding the public hospital sector and public health to a support for private insurance and private initiatives on the spurious argument that in some way that represents a commitment to the best interests of the public health sector. It is a little like someone who advocates drinking Pepsi Cola saying it would be a good thing for those marketing Pepsi Cola if everyone drinks Coca-Cola. Why would we argue the case that it is in the best interests of a good public health system for everybody to transfer to the private system? Logically, it is an absurd proposition once you examine it with any degree of rigour.

Moving away from the health system, we see the same kind of shift from traditional public provision to private provision in education. Over time, what used to be a very strong system of state provided education where the vast majority of Australian parents were proud that you could have a good education for your child in a public school—that is, a state provided school—is slowly shifting. Many parents who would ordinarily have wished to place their child in the state provided education sector are now saying, ‘That system is inadequately funded. The only way I can provide proper educational opportunities for my child is in the private sector.’ Of course, this federal government has exacerbated the shift of incentives towards the private sector so that, again, the residual sector is the public sector—available for those who cannot afford the privilege of sending their child through a private institution.

Whilst those two trends are alarming—and we need to draw a line in the sand to make certain that the public sector, both in health and in education, is defended; and only a Labor government will do that—we have to be aware of further encroachments. One area where we are starting to see further encroachments is in the area of essentially ‘privatising out’ the provision of security. One of the most fundamental things in a democratic and equal society is to share common responsibility for the provision of our own security. That is why there is provision of police from public funds. That is why, when prosecution of crime is undertaken, it is undertaken by the Crown in the name of the state rather than by individuals, in the main, although individuals still have a residual right to bring private informations in the court. Nonetheless, the majority of law enforcement, quite properly, is seen as the responsibility of the state. So, too, do we see it as our responsibility—a communal responsibility—to make certain that security for all our citizens is adequate. We do not see it as appropriate to have a two-tier society where the provision of security is a residual responsibility of the state for the poor and where the rich can essentially buy their way out of those responsibilities. That is what we are starting to see with gated communities. As part of their environment they employ private security and provide permission-only entrance through gates—circumstances whereby the hoi-polloi, the ordinary community, are kept out. There are a number of reasons why there may be larger community concerns. There are concerns for those
who provide emergency services—fire, ambulance and the like. Access to those services is difficult under some circumstances—if emergencies arise and the private and public interface do not work properly.

But that is not my main concern. My main concern is that we are starting to have a further rift in our society, a rift between those for whom the state is an essential component of their support and those who essentially can buy themselves out of that system. Once you start to have a two-tier system—a residual system for those who are least well-off and a normal system which is acquired and purchased through private expenditure—once that becomes the norm, the interest in keeping up the residual system to a reasonable standard to allow it to be generally accessible to most citizens slides and increasingly it simply becomes a bandaid, last resort, poorly funded, little supported residual system which exists only for those who are in desperate need. That is not the kind of Australia that I want to live in.

I want to say to local government authorities and to state governments, who now have a larger responsibility in terms of their capacity to direct local government, that we ought to be thinking as a country about whether we want to go down the path of allowing gated communities. Do we want to have a system where those with wealth can exclude themselves from the rest of their community, build walls around the fortresses where they live, have the poor excluded, not provide ordinary policing services and not provide any of the normal community support? If that became the norm, we would rapidly find that the case for putting money into those services would be reduced. Just as in education and just as in health, when you find services like police no longer required by the affluent then the political will to continue to provide them at an adequate level will be reduced. You will also find what Disraeli pointed out a long time ago when he looked at British society as it started to unravel in terms of its coherence and as it faced great change in the aftermath of the Industrial Revolution. You find a situation where within one country you evolve two societies.

I think we can look at what one writer, Sigmund Bauman, refers to as 'two nations mark two'. One nation consists of an affluent population strata who are constantly being seduced into the market by ever increased pressure to consume, and the other is the repressed, marginalised population who are being pushed into becoming a human residue, whose aspirations are being repressed and who are essentially the subject of law enforcement, surveillance by welfare authorities and increasing loss of privacy. That two-tier outcome is going to be working through in a whole series of areas. We have seen it in education. We have seen it in health. We can notice it in public transport. We can see it in the labour market, as instead of seeing work and support for the unemployed, we start to see the language of work fare coming through. We are beginning to see it now in the provision of housing in the willingness of our planning authorities to accept the quite odious and un-Australian forms of community living which are these gated communities.

I saw in the Age newspaper the other day a substantial article about residents of one community who were up in arms about the presence in their community of one of these gated environments. It really does not fit with the Australian ethic. It is not the way in which we see ourselves as a society. We would not want to see that we are actually willing to have amongst ourselves people who so fear their fellow citizen that they want to build walls around where they live and ensure that those who enter whole suburbs do so only with passes, through gates and through security guards. That is really not the kind of Australia we want. We certainly do not want to end up like Rio de Janeiro and a whole range of South American cities, where, amongst great affluence, surrounded by walls and armed guards, we find great poverty and the affluent living in isolated enclaves in a community where they are separated not just by their wealth but by walls, bars, guards and the whole visible apparatus of a divided world, a divided society, a divided country.

Australia does not need to become a divided country. We have a long tradition of asserting egalitarianism. We ought to follow
that tradition through in the social policies which we carry out. I do not believe that Australia is such a dangerous country that it is necessary for the wellbeing of those who live in South Yarra, on the north shore of Sydney or in any suburb in any of our cities to surround their whole suburb by walls, to privatise the provision of security, to not give trust to the public provision of policing and to move the enforcement of law and order from what was traditionally the Crown or the state to private provision and individuals. I believe that our local government institutions should be watchful and not facilitate the further development of planning policies that would allow that.

Debate (on motion by Mr Ronaldson) adjourned.

MATTERS REFERRED TO MAIN COMMITTEE

Motion (by Mr Ronaldson)—by leave—agreed to:
That the following bill be referred to the Main Committee for consideration:
Local Government (Financial Assistance) Amendment Bill 2000

ADJOURNMENT

Motion (by Mr Anthony) proposed:
That the House do now adjourn.

Child Abuse: Effects

Mr SIDEBOTTOM (Braddon) (10.30 p.m.)—On Saturday last, I opened a seminar titled ‘Breaking the silence’ run by Advocates for Survivors of Child Abuse. ASCA is a national survivor initiated association with the prime aim to help its members heal. It is a social action group for, and on behalf of, survivors. I highly commend its work and courage, because it takes courage to heal. I also recognise the excellent work of the North West Centre Against Sexual Assault and the dedication and drive of Vicki Russell and her co-workers. What struck my consciousness more than anything else at the seminar was a question of a survivor and their brutal answer. ‘How did dealing with incest affect the rest of your life?’ was the question. ‘What rest of my life?’ was the answer. In 1994 Marrianne James, a senior research officer for the National Child Protection Clearing House in the ACT, wrote:

... while domestic violence is now politically recognised as one of the most entrenched and pervasive forms of violence in our society today, child abuse issues have yet to receive the same degree of attention.

Unfortunately, most workers in the field of child abuse would argue that little has changed in the meantime. Not surprisingly, these issues have essentially been regarded as private, in-house matters. This, together with the fact that the family has traditionally been regarded as a source of love and support, has led to an element of denial at a national, local community and individual level.

The effects of child abuse on victims are diverse but well documented. It causes damage to self-esteem and self-image, difficulty in expressing emotional problems, relationship problems, sexual problems and psychosomatic problems and illnesses. The greatest proportion of prison and psychiatric inmates have been abused in childhood. Time and again, people before the courts and many exhibiting antisocial behaviour have a history of child abuse. Indeed, it was alleged in the Brisbane Courier-Mail that Brisbane gunman and suicide victim Nigel Parodi had confided to a former schoolmate that he was molested by his former school counsellor. Whether this is true or not, statistics would argue it would not be unusual.

Child abuse is inexcusable. It is widespread and does not discriminate. It is all pervasive and often has detrimental lifetime effects. It costs our community a great deal in social, spiritual and economic terms. Unless it is recognised and tackled as a national problem, we will only scratch the surface in research, community and individual education, detection, prosecution, prevention and healing. In short, there will be no justice for victims of child abuse. If one thing captures the attention of the political process, it is money or financial cost. It is identifiable. Social costs, however, are more difficult to assess and do not fit neatly in the accountant’s column.

I wish to share the story of Valerie—a real person but with a different name. From ages five to 13, Valerie was sexually assaulted by her father. Her recollection is that this was on a weekly basis. Her mother could not protect her, and she became a ward of the state.
Valerie is now 32, with three children aged 15, 10 and five years. At school she became a special needs student. She is unable to sustain employment, has very low work skills and—because of anxiety attacks, nightmares, intrusive thoughts and difficulties associated with intimacy in her relationship—her children have periodically been put into respite. Valerie has been hospitalised as depressed and suicidal on several occasions. She has separated from her partner because of deteriorating circumstances.

I raise the story of Valerie because it is common, not because it is unusual. I also raise it to highlight the economic cost of child abuse and its effect on the state—let alone the sad, depressing and harrowing social impact on Valerie, those she loves and those who love her in return. A sexual assault officer in a study *The economic cost to society from the impact of the experience of child sexual assault on one woman’s life* estimates the following. For Valerie aged between five and 13 years, special education costs, child protection intervention and wardship costs and Department of Justice costs—including court and police costs—came to a total of $210,200. For Valerie aged 18 to 32, income support from the government, medical costs for hospitalisation and visits to GP and psychiatric services, counselling services costs and child-care costs totalled $286,824. The total in direct economic costs is $497,024. The estimate does not include amounts associated with secondary victimisation. I am told that the children are also in need of ongoing assistance and care.

Prevention is better than a cure, but where healing and a cure are needed justice must be done. We as a society will continue to bear the increasing economic and social costs if we do not tackle the issues of prevention, cure and justice. They are all interdependent and deserve our fullest attention and priority. (Time expired)

Service Medals

Mr BILLSON (Dunkley) (10.35 p.m.)—I rise tonight to place on the *Hansard* record my call for the federal government to strengthen public awareness and the law relating to the proper wearing of service medals. Local veterans have raised this matter with me, and I have canvassed the views of veterans and veterans’ organisations in developing the proposal I have put to the government. Local ex-service personnel have enormous resentment for bogus vets. Deceased veterans were presumably able to seek the help of their federal members of parliament when the law I am seeking to amend was first introduced and amended on earlier occasions.

In 1917 the law prevented service personnel from pledging or disposing of their medals in any way to another person, while a 1965 amendment made it unlawful for anyone to wear a service medal other than the person to whom the medal was conferred. Thankfully, the law has evolved over time as community attitudes changed. My proposal seeks to assist people of all ages who want to honour and properly respect the service of veterans. I have publicly been advocating a three-part plan to address this concern of the veterans community. The first element concerns an expanded and enhanced public education campaign. Our encouragement to family members—and, particularly, younger generations—to remember and respect the service of our veterans should be accompanied by an explanation that service medals worn to commemorate and honour this service must be worn on the right side of the chest. It is my view that very few people from the general public set out to deceive others by the way they wear their medals, but a number more inadvertently offend veterans simply because they are unaware of how to properly pay tribute to those who earned them.

Specifically, I have asked the government to consider supporting the following proposals. The first is an expanded section on proper commemorative conduct in relation to the wearing of medals as part of the Anzac schools kit. Calls to my office following recent media coverage of this matter have suggested that this could be extended to include information about appropriate attire and the proper flying of flags for commemorative marches and events. The second proposal is providing financial support through the Their Service Our Heritage program for the pro-
duction of an information pamphlet that could be produced and circulated in conjunction with the Department of Veterans’ Affairs and the RSL. A third element would be arranging media advertising and print features that could appear as part of the special coverage afforded to Anzac Day and Remembrance Day commemorative activities that include helpful ‘how to’ advice to families and young people. This could extend to a media kit that can be referred to as part of the commentary and reporting on activities. The fourth idea is establishing a telephone help line for a limited time in the lead-up to a significant commemorative event for people uncertain about what is appropriate.

We need to raise public awareness about how the wearing of service medals above the heart on the left chest is reserved only for those on whom those awards have been conferred. Secondly, I remain convinced about the need to back up the awareness raising campaign with a clarification and strengthening of the law. This would recognise that the current law is vague and the penalty insufficient to deal with people who, having been made aware of what is proper, persist in doing the wrong thing. Section 80B of the Defence Act 1903 needs to be amended to clearly explain how family members wishing to commemorate the service of a relative should respectfully wear any medals received. By clearly stating that the wearing of a veteran’s medal on the right chest for commemorative purposes is not a breach of section 80B and is the intention of subsection (2), we can make a helpful contribution to the public education campaign.

I am not about creating medals police, but this is a matter that greatly aggrieves ex-service personnel who, as I said, have enormous resentment for bogus vets. Clearly, any punitive action needs to be targeted at those who set out to deceive others and dishonour our veterans, not at families and children wishing to commemorate the service of a loved one and who may simply be unaware of how service medals should be worn. The $200 fine is inadequate for habitual offenders who dishonour our veterans by seeking to associate themselves with war service and historic events in our nation’s history in which they have played no part. The vigilante activities of some sections of the veterans’ community in outing bogus veterans is evidence of the strength of feeling about this matter and how out of step the current fine is with community feeling. The RSL practice of warning known ‘medals offenders’ to do the right thing will be assisted by improved public awareness and strengthened laws about the proper wearing of service medals.

The service of all our veterans is dishonoured by people improperly wearing service medals they have not earned, and the public awareness raising campaign backed up by amendments to the law will address this concern. Notwithstanding the fixation of some sections of the media on the issue of fines, I am heartened by the support and encouragement I have received on this matter from the veterans community, current service personnel and members of the broader public who have appreciated learning of the proper and honourable way to commemorate the service of our veterans community.

**Industrial Relations: Disputes**

Mr HOLLIS (Throsby) (10.40 p.m.)—It is often claimed in political commentary today that there is no real difference between the major political parties. This conclusion is drawn more often, I suspect, out of laziness in trying to contrast the differences in policy approaches between the political parties. There is one area of public policy where the differences between the Labor Party and the coalition are stark, clear and decisive: industrial relations policy is that policy battleground.

Since 1996, the aim of balance has been dismissed and attacked by the Howard government. Australian workers have seen their award conditions attacked and reduced, their wages fall, their representative organisations—trade unions—marginalised and the independent umpire, the Australian Industrial Relations Commission, undermined, powerless to intervene in resolving industrial disputes. In 1996, the Howard government promised to let workers and employees settle the detail of payment and conditions. There was no need for any intervention by third parties. The reality has been different.
Since 1996, there has always been one great shadow of intervention: the Minister for Employment, Workplace Relations and Small Business himself. His approach to industrial relations, a position consistently endorsed by the ranks of the government, is confrontation with workers, unions and the commission, but a lax approach to employers. The balance of industrial relations policy has been replaced by confrontation—confrontation for its own ideological sake.

In the Illawarra today and for the last two months, there has been a serious and increasingly protracted industrial dispute involving workers and management at Joy Manufacturing based in Moss Vale. The dispute began over negotiations for a new enterprise agreement which was due to expire in December 1999. In early February Joy management established four separate bargaining periods on one site to cover hydraulics, gearbox, warehouse and the main fabrication shop. Joy management then placed an extraordinary demand on each section of its operations to reach an agreement, explaining that if one were not concluded workers would be locked out or the business would fold.

On 31 March, Joy management arranged to shift unfinished jobs offsite. The dispute escalated with a strike, and a picket was established. Negotiations between the unions and Joy management started, and a reasonable proposition was advanced by the unions to withdraw the four separate bargaining agreements and conclude only one. Joy management rejected this proposal. On 12 April, Joy management sent to workers another draft agreement, bypassing the unions, with again four separate agreements and four separate expiry dates. Workers had a fortnight to respond. The following day, workers received by registered mail a lockout notice for three months starting on 14 April. Since then, the Supreme Court ruled that injunctions were now in place against the unions. This is under appeal and the unions have taken action against Joy and the lockout notices.

It is clear that the lockout notices are illegal, but in an interesting development last week—which showed Joy’s contempt for workers and the legal process—a further lockout notice was sent to workers. Joy management in a fit of utter stupidity has refused to discuss the dispute with workers and the unions. This dispute continues. The picket line grows and the support within the Illawarra community for these workers increases. In the meantime, the unions through a search of Joy have discovered that in a report lodged with the Australian Securities and Investment Commission on 23 November 1999 the parent company, Harnishtger, had filed in June 1999 for chapter 11 bankruptcy in the American courts. The tactic of Joy management is becoming increasingly clear. Joy is in serious financial trouble. Its ability to continue operation is questionable and its management has picked a serious fight with the workers and the unions to direct the responsibility for any collapse. This is the real agenda behind the dispute.

Far from the government being able to promote the decline of industrial disputes, a more accurate indication is the fact that long-term disputes in Australia have risen. Many of these intractable disputes, which breed bitterness and deep resentment with consequences still years later, should be resolved within the commission. This is not possible because the commission has been knee-capped and crippled by the Howard government’s legislative approach to industrial relations.

Nobody wins out of the disputes currently becoming more intractable in the Illawarra, but the locked out workers at Joy are taking a firm stand against an employer with a stubborn, ideological agenda for workplace negotiations. In my region, workers and their unions have always been willing to negotiate, to use commonsense in resolving any problem. But their resolve and strength in fighting against industrial relations injustice is again on display. (Time expired)

Aboriginals: Social Welfare

Mr LAWLER (Parkes) (10.45 p.m.)—As much as I would like to overwhelm members with an uplifting tale this evening, unfortunately circumstances in the federal electorate of Parkes dictate otherwise. A spate of arson attacks in Dubbo and an outcry over coverage by 60 Minutes of a school in Wilcannia have shared centre stage in media broadcasts this
last week. The Ray Martin story, featuring advances in education in Wilcannia, also alleged high instances of neglect among children in the town, particularly those in welfare households. To my mind, both episodes centre around the quality of life—or lack thereof—of young people whose support relies entirely on welfare payments made to their parents. While Dubbo and Wilcannia shared the spotlight this week, the conflict involved in supporting those most vulnerable in society, without stunting their prospects further through welfare dependency, is a quandary faced by every community in western New South Wales. The teachers in this school in Wilcannia have made tremendous progress improving the lives and prospects of these kids.

I have spoken before about my belief that practical measures to improve living conditions far outweigh vague sentiments of regret, especially in relation to the stolen generation debate—and comments from Aboriginal people in Dubbo last week said the same thing. What strikes me about the current climate is that, while the argument simmers over our responsibility for government policy in the past, a generation of young Aboriginal people face equally destructive influences in our midst today. A heartbreaking number of young Aboriginal children, especially boys, risk their emotional health, strong family ties and their chances of a pleasant future through a combination of youthful bravado, criminal mischief and misguided anger, followed by the inevitable time in jail. It seems that, while we debate the past, the past is repeating itself in the present.

Theories abound and periodically the wider community cries out for more severe penalties. But that has been our approach since settlement—and if that approach was any sort of solution it would have succeeded long ago. However, what is consistently acknowledged is that children who are neglected are far more likely to engage in antisocial behaviour as adolescents. If we agree that some children are not getting proper access to the welfare benefits provided—and the need for preschool community breakfasts in several western centres seems to support that assertion—then we must restructure welfare so that they all do. I do not want to be the paternal dictator and I do not suggest for a second that benefits should be reduced. But I am saying that while provision of health care or education has improved—from pretty disgraceful levels—that does not seem to have translated into more stable functional households, at least according to the spiralling detention rates for indigenous youths.

The foundation must be laid in the earliest years, even if that only starts with a guaranteed three square meals a day. Many Aboriginal people in my electorate deplore welfare as the curse that has delivered many Aboriginal people into the predicament they are in today. They agree that we may have to make some hard decisions that will be decried by our mainly capital city based thought police if we are to be able to rescue the children of today. Let us be allowed to throw around ideas throughout the whole community in an effort to break the destructive welfare cycle. Perhaps financial mismanagement should be targeted for education and counselling in the same way as other shortcomings are addressed, such as anger management and drug or alcohol problems. Perhaps Aboriginal elders themselves should have more legal strength to interfere in problems they see developing before anyone else sees them.

The answers are difficult and complex. But, by consulting Aboriginal people in my electorate and mulling over the matter of welfare payments with relevant colleagues, hopefully progress can be made. My wish is not to walk in a remembrance march in 20 years time for the generation that we failed in our own backyards in the year 2000, the Year of Reconciliation.

Goods and Services Tax: Information Campaign

Mr Emerson (Rankin) (10.49 p.m.)—I wish to advise the House that the opposition will be keeping a tally of Peter’s porkies, because the Treasurer is incapable of telling the truth. Just in question time today, within virtually the same breath, he made two untrue statements. The first—and these were in reference to the GST information kit that Labor has produced—was when he said:
Under the Labor Party you lost 50c in the dollar, if you were a pensioner, for every dollar that you earned.

That is completely untrue. There is an income threshold before the pension begins tapering out. He then went on to say:

Anyway, in this document which masquerades as an information kit and has a falsehood on every page, I had to get to page 26 before I read a factual claim.

I have that document with me here. On page 1, not page 26, it says at the top:

GST stands for goods and services tax.

What problem does the Treasurer have with that statement? It continues:

The GST rate has been set at 10 per cent and will apply to most goods and services.

The Treasurer thinks that is untrue, obviously. On page 5, it says:

The Democrats claim they convinced the Government to exempt most food items from the GST. But numerous food and beverage items will be taxed by the GST.

Then it goes on to list just some of those food and beverage items. On page 6, it says:

The Government said during the election campaign that education would be GST-free. But it turns out that most of the basic education expenses will be taxed by the GST.

That is another factual statement. On page 8, it says:

The price of petrol to motorists will not fall.

That is also a factual statement. We can go on and on. On every page there are factual statements, and yet the Treasurer says he had to get to page 26 before he could find one. On page 14, it says:

The Government passed legislation saying the GST rate can rise only with the agreement of the States and the two houses of Federal Parliament.

What is the Treasurer’s problem with that statement? It is a factual statement. On page 23, the document says, quite fairly:

The Government is offering a compensation package for the increased cost of living caused by the GST.

Is the Treasurer saying that that is not a factual statement? The document goes on to report that that compensation package is inadequate, but it is a factual statement. The Treasurer is a serial offender on this. I understand and fully believe that you are not supposed to mislead the parliament, but he gets up here every day in question time and makes completely false statements. When the budget was handed down, the Treasurer was at his very best in making false claims. I will refer to a couple of his statements about income tax cuts. He said on Radio National on 10 May:

Now let me make this clear, this is I think the first budget, well certainly in my memory, where there’s been income tax cuts.

On 3AW, he said:

This is the first time we have had a genuine income tax cut for well over a decade, a lot of people can’t even remember what it is like to have an income tax cut.

On 2SM the same day he said:

I think there are a lot of people in Australia who would say, a lot of young income earners, suppose you’ve only been in the workforce for ten years, you’ve never had an income, they wouldn’t know, they have no personal experience of an income tax cut.

On budget day, he went on and on and on. The fact is that Labor cut personal income tax rates seven times—in November 1984, December 1986, July 1987, July 1989, January 1990, January 1991 and November 1993. Three of those tax cuts were in this last decade. The first half of Labor’s 1993 tax cuts were paid early, in November of that year.

The Treasurer thinks that he can get away with it, but he cannot get away with it. When he comes into this place and, during question time and in speeches, stands up and makes statements that are clearly untrue, we will be recording those statements in ‘Peter’s
porkies’ and we will be releasing a statement, a tally, as he goes on in this serial offence of making untrue statements in this parliament and in his $410 million publicity campaign. He will be brought to account in this place, as will any member of the government who comes in here and tries to mislead the Australian people about the true impact of this GST package, which will be coming in just one month’s time. (Time expired)

Genetically Modified Food: Labelling

Mr SECKER (Barker) (10.54 p.m.)—Yesterday, I had the opportunity to speak in the grievance debate about the very important policy on GMOs, and I do note that the member for Braddon and the member for Parkes are both working with me on a committee which is looking into this matter. I mention that to assure the House that I will not be specifically referring to matters brought up in that committee. But there is an issue of concern to me—that is, the decision taken by ANZFA, the Australia New Zealand Food Authority, to try to make all foods that have genetically modified organisms, or GMOs, or are produced through the use of these GMOs, labelled as such. Why, I ask?

This body is made up of the Australian government, the New Zealand government and the state and territory governments, and both national governments oppose this ridiculous proposal which could add $3 billion of extra costs to producers and manufacturers in Australia. But, unfortunately, a few populist state health ministers made this absolutely ridiculous decision without regard to our national trading interests, without regard to the facts or recommendations as given to them by their own advisory body and without regard to the practical implications of such a decision.

Surely, if the end product is safe, what does it matter if the process used was GMOs or the more traditional methods that are slower, less accurate, less predictable and less safe? The more sensible policy is to label those foods that are substantially different, and in fact this was a recommendation of their own advisory board. Even the European bureaucracy which has tried to implement a GMO labelling policy for all GMO products, no matter how minute the difference or where the GMO process occurs, has found that it is virtually impossible to do so. For example, sugar is refined by using a GMO enzyme for cleaning the sugar cane, yet somehow this is supposed to make it less safe and, therefore, should be labelled as such. That is absolute rot.

Organic farmers say that we should not use GMOs because it will affect their GMO status, but the organic growing of foods is about a process of growing crops, not the actual crops themselves. Perhaps they fear that GMO crops that do not need chemicals might provide some competition to them. If that is the case, we should not support their nonsensical claims. Those same people are prepared to use dishonest literature to try to fool the general public. They try to convince the farmer that using GMOs will reduce their ability to access exports to such places as Europe, but then they fail to tell them that hundreds of thousands of hectares of GMO products are already being grown in Europe. Again, let us not let facts get in the way of a good story.

The potential for benefits from genetic modification are almost boundless. Better productivity will help not only those farmers in this country but also 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, even though in many cases there will be a greater reduction in the use of chemicals, which is part of an existing method of farming here in Australia and all over the world.

Allergens can be removed by the process of genetic modification. Frost resistance can be achieved to help farmers in areas like mine that are susceptible to frost. Vitamin production in plants can be enhanced by GMOs, thereby making healthy food. The list of benefits is virtually infinite and, by using government regulations through the gene technology regulator, we can ensure that this technology is safe and beneficial not only to our consumers but also to our farmers through better productive abilities and less chemical use. Biotechnology and GMOs are the next revolution in our world, and we
should embrace it with the proper regulations and not oppose it for silly slogans that do not bear witness to the facts.

Question resolved in the affirmative.

House adjourned at 10.59 p.m.

NOTICES

The following notices were given:

Dr Wooldridge—To present a bill for an act to amend legislation relating to health, and for related purposes.

Dr Wooldridge—To present a bill for an act to amend the Tobacco Advertising Prohibition Act 1992.

Dr Wooldridge—To present a bill for an act to amend the National Health Act 1953, and for related purposes.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Boarding House Residents
(Question No. 1207)

Mr Albanese asked the Minister representing the Minister for Family and Community Services, upon notice, on 6 March 2000:

How many persons were residing in boarding houses in each electoral division at the last Census.

Mr Anthony—The Minister for Family and Community Services has provided the following answer to the honourable member’s question:

The detailed information required to answer the honourable member’s question is not readily available in consolidated form. I do not consider appropriate the expenditure of resources and effort that would be involved in collecting and assembling information for the sole purpose of answering questions of this nature.

Census information on boarding house residents is available, at no charge to Mr Albanese, from the Australian Bureau of Statistics.

Queen Elizabeth II: Colour Posters
(Question No. 1228)

Mr Danby asked the Minister representing the Special Minister of State, upon notice, on 7 March 2000:

(1) Did his Department distribute to each Member of Parliament a number of colour posters of Her Majesty Queen Elizabeth the Second.

(2) How many colour posters were distributed to each Member of Parliament.

(3) Were the posters provided to other persons, if so (a) who and (b) how many copies did they receive.

(4) How many copies were produced in total.

(5) What was the cost to produce and distribute the posters.

(6) From which budget was funding sourced.

(7) Why was the poster produced and distributed.

Mr Fahey—The Special Minister of State has provided the following answer to the honourable member’s question:

(1) No. Upon request, Senators and Members may obtain photographs of The Queen of Australia under the Constituents’ Request Programme.

(2) - (7) not applicable.

Job Network: Providers
(Question No. 1249)

Ms Hall asked the Minister for Employment Services, upon notice, on 13 March 2000:

(1) How many employers are surveyed to confirm that the job matching fee paid to Job Network providers is legitimate.

(2) What criteria are used to determine a job outcome under the current system and how do they vary from the previous system.

(3) Is it a fact that if an unemployed person finds his or her own job the Job Network provider with whom the person is registered receives a job outcome or the credit for that person finding a job.

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

(1) From 1 July 1999 to mid March 2000, the Department of Employment Workplace Relations and Small Business conducted random checks of 11 500 (almost 7%) of the approximate 175 000 claims for which job outcome payments have been made. Employers are asked to confirm that the relevant job seeker did in fact begin in the claimed job.
(2) Under Job Network, a Job Matching outcome fee can be claimed and paid for a job which immediately following the job seeker’s placement by the Job Network provider and provides 15 hours of employment over a period of no more than 5 consecutive days. An Intensive Assistance outcome is linked to a job seeker’s completion of 13 weeks involvement in an employment related activity or one semester for an educational or training related activity.

Such contractual requirements were not a requirement of the Commonwealth Employment Service. In broad terms, a comparison can be made between the outcomes linked to the Job Network’s Job Matching activity and the Commonwealth Employment Service’s placement of job seekers into notified vacancies. In February 1998 the Commonwealth Employment Service placed 14,412 job seekers into notified vacancies compared to the Job Network’s result for February 2000 of 21,610. This latter figure representing some 50% improvement in activity on the Job Network’s predecessor.

(3) Providers will not be paid a Job Matching outcome where an Eligible Job Seeker finds his or her own employment.

In the case of Job Search Training the provider will be eligible for a bonus of $268.00 where an eligible job seeker successfully finds employment within 13 weeks of cessation in the Job Search Training activity. The payment will be paid where the job seeker finds their own employment. This reflects the positive contribution of the provider, through their training programme, and rewards those providers who develop and deliver effective mechanisms which lead job seekers to canvas their own employment outcomes.

Job Network members who provide Intensive Assistance services to job seekers will receive an outcome payment provided the employment meets the conditions with respect to duration and extent of the job. The outcome payment in respect of job seekers in Intensive Assistance reflect the level of disadvantage experienced by that job seeker in the labour market and the tendered price. These fees are paid on the basis that as a result of the service provided by the Intensive Assistance provider the job seeker developed the capacity to self canvas a job and based on the expectation that the provider will continue to provide post placement support.

National Defamation Code

(Question No. 1286)

Mr McClelland asked the Attorney-General, upon notice, on 3 April 2000:

(1) What are the impediments to achieving a national defamation code.

(2) Is the Government playing a role in attempting to achieve such a code; if so, what steps are being undertaken by the Government.

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

(1) In Australia, defamation is a matter governed by State and Territory law. The issue of uniform defamation laws has periodically been considered by the Standing Committee of Attorneys-General. Unfortunately the States and Territories have been unable to agree on substantive reforms and the issue has been taken off the SCAG agenda.

(2) Given the failure of the States and Territories over an extended period to reach agreement on uniform defamation laws, the Government is not pursuing the issue at this time. I note, however, that on 9 December 1999 the ACT Attorney-General introduced a Bill into the ACT Legislative Assembly to reform ACT defamation law. In addition, the NSW Attorney-General announced in February 2000 that he is considering reforms to the law of defamation in NSW.

Australian Workplace Agreements

(Question No. 1301)

Mr Martin Ferguson asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 4 April 2000:

Further to the answer to question No. 1149 (Hansard, 4 April 2000, page P14695) concerning Australian Workplace Agreements (AWAs), how many of the 29,313 AWAs in the public sector as at 31 December 1999 were there for each of the Commonwealth, State and Territory Governments.

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

As at 31 December 1999, 86,188 AWAs had been approved by the Office of the Employment Advocate (OEA) and the Australian Industrial Relations Commission.
Of those agreements, 29,313 (34.01% of all AWAs approved, as at 31 December 1999) were in the public sector.

For the OEA’s statistical reporting purposes, ‘public sector’ includes employers from several industrial categories, as defined in the Australian and New Zealand Standard Industrial Classifications (ANZSIC), used by the Australian Bureau of Statistics. It is not possible for the OEA to disaggregate these statistics on public sector AWAs any further, without possibly disclosing the identity of AWA parties.

**Industry Association: Contracts, Grants or Payments**

(Question Nos 1305-1358)

Mr Bevis asked the Minister for Agriculture Fisheries and Forestry, upon notice, on 5 April 2000:

1305 During 1996-97 were any contracts, grants or payments made to the National Meat Association of Australia; if so, what was the value of the contract, grant or payment.

1306 During 1997-98 were any contracts, grants or payments made to the National Meat Association of Australia; if so, what was the value of the contract, grant or payment.

1307 During 1998-99 were any contracts, grants or payments made to the National Meat Association of Australia; if so, what was the value of the contract, grant or payment.

1308 During 1996-97 were any contracts, grants or payments made to the Housing Industry Association; if so, what was the value of the contract, grant or payment.

1309 During 1997-98 were any contracts, grants or payments made to the Housing Industry Association; if so, what was the value of the contract, grant or payment.

1310 During 1998-99 were any contracts, grants or payments made to the Housing Industry Association; if so, what was the value of the contract, grant or payment.

1311 During 1996-97 were any contracts, grants or payments made to the Australian Mines and Metals Association; if so, what was the value of the contract, grant or payment.

1312 During 1997-98 were any contracts, grants or payments made to the Australian Mines and Metals Association; if so, what was the value of the contract, grant or payment.

1313 During 1998-99 were any contracts, grants or payments made to the Australian Mines and Metals Association; if so, what was the value of the contract, grant or payment.

1314 During 1996-97 were any contracts, grants or payments made to the Printing Association of Australia; if so, what was the value of the contract, grant or payment.

1315 During 1997-98 were any contracts, grants or payments made to the Printing Association of Australia; if so, what was the value of the contract, grant or payment.

1316 During 1998-99 were any contracts, grants or payments made to the Printing Association of Australia; if so, what was the value of the contract, grant or payment.

1317 During 1996-97 were any contracts, grants or payments made to the Small Business Association of Australia; if so, what was the value of the contract, grant or payment.

1318 During 1997-98 were any contracts, grants or payments made to the Small Business Association of Australia; if so, what was the value of the contract, grant or payment.

1319 During 1998-99 were any contracts, grants or payments made to the Small Business Association of Australia; if so, what was the value of the contract, grant or payment.

1320 During 1996-97 were any contracts, grants or payments made to the Oil Industry Industrial Committee; if so, what was the value of the contract, grant or payment.

1321 During 1997-98 were any contracts, grants or payments made to the Oil Industry Industrial Committee; if so, what was the value of the contract, grant or payment.

1322 During 1998-99 were any contracts, grants or payments made to the Oil Industry Industrial Committee; if so, what was the value of the contract, grant or payment.

1323 During 1996-97 were any contracts, grants or payments made to the Master Builders Australia Incorporated; if so, what was the value of the contract, grant or payment.

1324 During 1997-98 were any contracts, grants or payments made to the Master Builders Australia Incorporated; if so, what was the value of the contract, grant or payment.
1325 During 1998-99 were any contracts, grants or payments made to the Master Builders Australia Incorporated; if so, what was the value of the contract, grant or payment.

1326 During 1996-97 were any contracts, grants or payments made to the Business Council of Australia; if so, what was the value of the contract, grant or payment.

1327 During 1997-98 were any contracts, grants or payments made to the Business Council of Australia; if so, what was the value of the contract, grant or payment.

1328 During 1998-99 were any contracts, grants or payments made to the Business Council of Australia; if so, what was the value of the contract, grant or payment.

1329 During 1996-97 were any contracts, grants or payments made to the Australian Retailers Association; if so, what was the value of the contract, grant or payment.

1330 During 1997-98 were any contracts, grants or payments made to the Australian Retailers Association; if so, what was the value of the contract, grant or payment.

1331 During 1998-99 were any contracts, grants or payments made to the Australian Retailers Association; if so, what was the value of the contract, grant or payment.

1332 During 1996-97 were any contracts, grants or payments made to the Australian Industry Group; if so, what was the value of the contract, grant or payment.

1333 During 1997-98 were any contracts, grants or payments made to the Australian Industry Group; if so, what was the value of the contract, grant or payment.

1334 During 1998-99 were any contracts, grants or payments made to the Australian Industry Group; if so, what was the value of the contract, grant or payment.

1335 During 1996-97 were any contracts, grants or payments made to the New South Wales Mineral Council Limited; if so, what was the value of the contract, grant or payment.

1336 During 1997-98 were any contracts, grants or payments made to the New South Wales Mineral Council Limited; if so, what was the value of the contract, grant or payment.

1337 During 1998-99 were any contracts, grants or payments made to the New South Wales Mineral Council Limited; if so, what was the value of the contract, grant or payment.

1338 During 1996-97 were any contracts, grants or payments made to the Australian Coal Association; if so, what was the value of the contract, grant or payment.

1339 During 1997-98 were any contracts, grants or payments made to the Australian Coal Association; if so, what was the value of the contract, grant or payment.

1340 During 1998-99 were any contracts, grants or payments made to the Australian Coal Association; if so, what was the value of the contract, grant or payment.

1341 During 1996-97 were any contracts, grants or payments made to the Australian Bankers Association; if so, what was the value of the contract, grant or payment.

1342 During 1997-98 were any contracts, grants or payments made to the Australian Bankers Association; if so, what was the value of the contract, grant or payment.

1343 During 1998-99 were any contracts, grants or payments made to the Australian Bankers Association; if so, what was the value of the contract, grant or payment.

1344 During 1996-97 were any contracts, grants or payments made to Australian Business Limited; if so, what was the value of the contract, grant or payment.

1345 During 1997-98 were any contracts, grants or payments made to Australian Business Limited; if so, what was the value of the contract, grant or payment.

1346 During 1998-99 were any contracts, grants or payments made to Australian Business Limited; if so, what was the value of the contract, grant or payment.

1347 During 1996-97 were any contracts, grants or payments made to the National Farmers Federation; if so, what was the value of the contract, grant or payment.

1348 During 1997-98 were any contracts, grants or payments made to the National Farmers Federation; if so, what was the value of the contract, grant or payment.

1349 During 1998-99 were any contracts, grants or payments made to the National Farmers Federation; if so, what was the value of the contract, grant or payment.
During 1996-97 were any contracts, grants or payments made to the Queensland Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Queensland Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Queensland Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1996-97 were any contracts, grants or payments made to the Victorian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Victorian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Victorian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1996-97 were any contracts, grants or payments made to the Australian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Australian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Australian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

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

For Question numbers 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322, 1323, 1324, 1325, 1327, 1328, 1329, 1330, 1331, 1332, 1333, 1334, 1336, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1350, 1351, 1352, 1353, 1354, 1355, 1358 no contracts, grants or payments were made.

<table>
<thead>
<tr>
<th>Question Number</th>
<th>Organisation Name</th>
<th>Financial Year</th>
<th>Value of the contract, grant or payment</th>
</tr>
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<tbody>
<tr>
<td>1305</td>
<td>National Meat Association of Australia</td>
<td>1996-97</td>
<td>$65,555.92</td>
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<tr>
<td>1306</td>
<td>National Meat Association of Australia</td>
<td>1997-98</td>
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</tr>
<tr>
<td>1307</td>
<td>National Meat Association of Australia</td>
<td>1998-99</td>
<td>$422.00</td>
</tr>
<tr>
<td>1326</td>
<td>Business Council of Australia</td>
<td>1996-97</td>
<td>$50,041.00</td>
</tr>
<tr>
<td>1335</td>
<td>New South Wales Mineral Council Limited</td>
<td>1996-97</td>
<td>$250.00</td>
</tr>
<tr>
<td>1346</td>
<td>Australian Business Limited</td>
<td>1998-99</td>
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<tr>
<td>1347</td>
<td>National Farmers Federation</td>
<td>1996-97</td>
<td>$102,978.27</td>
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<tr>
<td>1348</td>
<td>National Farmers Federation</td>
<td>1997-98</td>
<td>$2,938.30</td>
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<td>1349</td>
<td>National Farmers Federation</td>
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<td>$9,680.73</td>
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<td>1356</td>
<td>Australian Chamber of Commerce and Industry</td>
<td>1996-97</td>
<td>$22.00</td>
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<tr>
<td>1357</td>
<td>Australian Chamber of Commerce and Industry</td>
<td>1997-98</td>
<td>$604.00</td>
</tr>
</tbody>
</table>

Mr Laurie Ferguson asked the Minister Assisting the Minister for Defence, upon notice, on 5 April 2000:

(1) How many Redress of Grievance complaints by members of the Australian Defence Force are currently unresolved.

(2) How many of the unresolved complaints are classified as (a) discharge matters and (b) personal matters.

(3) For the latest year for which data is available, what was the average period of time in weeks taken to finalise (a) complaints about proposed discharge actions and (b) complaints of a personal nature.

Australian Defence Force: Redress of Grievance Complaints

(Question No. 1362)
Following the Auditor-General’s June 1999 performance audit of the Redress of Grievance system what changes have been implemented to improve the operation of the system.

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

1. The Department of Defence does not currently record centrally Redress of Grievance complaints that are being handled at unit level and I am not willing to authorise the substantial amount of work that would be involved in the collection of this information at the expense of processing the grievances. If a member of the Australian Defence Force is dissatisfied with the outcome of the unit level investigation of their complaint, they have the right to refer the matter to their Chief of Staff. The Department of Defence’s Complaint Resolution Agency handles such complaints. As at April 2000, the Complaint Resolution Agency had 107 unresolved Redress of Grievance complaints registered.

2. Of the 107 unresolved Redresses of Grievances registered with the Complaint Resolution Agency:
   (a) 9 relate to Discharge matters.
   (b) 98 relate to Personal matters.

3. In relation to Redress of Grievance complaints finalised by the Complaint Resolution Agency during 1999:
   (a) 17.25 weeks
   (b) 43.95 weeks
   from the time they were lodged with the Complaints Resolution Agency.

4. A Defence position paper on the ANAO Report was tabled before CDF and Service Chiefs late 1999. Agreement was received in January 2000 from CDF, VCDF and Service Chiefs for the development of a revised ADF grievance system which adopts several of the ANAO recommendations in full and which reflects the overall thrust of the ANAO report.

   The Department of Defence has commenced a revision of existing Redress of Grievance procedures aimed at streamlining the process within the constraints of the Defence Force Regulations.

   In the longer term, a major review of the Redress system will be undertaken which includes consideration of the continued appropriateness of the current provisions in the Defence Force Regulations.

   Action will be taken by June 2000 to implement a process by which Redresses of Grievance submitted at the unit level are recorded and monitored within the Complaint Resolution Agency.

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**Australian Industrial Relations Commission: Payroll Costs**

(Question No. 1364)

Mr St Clair asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 6 April 2000:

1. What was the total payroll cost for the Australian Industrial Relations Commission (AIRC) in each year since 1994-95.
2. What portion of the payroll cost relates to Commissioners and Presidential members of the AIRC.
3. How many Commissioners and Presidential members were holding appointment in each year since 1994-95.
4. How many written decisions were handed down during each year since 1994-95 in the AIRC.
5. In relation to part (4), how many Commissioners and Presidential members handed down (a) 0, (b) 1 to 10 and (c) more than 10 decisions.

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

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total payroll cost $</th>
<th>No of Members</th>
<th>Members payroll cost $</th>
<th>%age of total payroll</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994/95</td>
<td>18 443 000</td>
<td>57</td>
<td>Note¹</td>
<td>30.9%</td>
</tr>
<tr>
<td>1995/96</td>
<td>22 513 000</td>
<td>56</td>
<td>6 960 000</td>
<td>33.9%</td>
</tr>
<tr>
<td>1996/97</td>
<td>21 663 000</td>
<td>55</td>
<td>7 341 000</td>
<td></td>
</tr>
</tbody>
</table>
## Financial Year Total payroll cost No of Members Members payroll cost Members % of total payroll
1997/98 19 953 000 55* 7 828 000 39.2%
1998/99 18 582 000 43 6 241 000 33.6%

1. Total payroll costs includes AIRC and AIR costs. Includes $5.18m expenditure for Cal Industry Tribunal.
2. Includes 5 Members who resigned or retired during the year.
3. Payroll costs for AIRC Members were not separately aggregated before 1995/96.
4. Induces 1 Member who resigned during the year.
5. Includes 1 Member who resigned during the year.
6. Includes 12 Members who resigned or retired during the year.
7. (4) and (5)

<table>
<thead>
<tr>
<th>Financial Year</th>
<th>Total written decisions</th>
<th>No of Members</th>
<th>No. of Members</th>
<th>handing down the no. of decisions: indicated</th>
</tr>
</thead>
<tbody>
<tr>
<td>1994-95</td>
<td>3033</td>
<td>0</td>
<td>1-10</td>
<td>10+</td>
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<tr>
<td>1995-96</td>
<td>1992</td>
<td>0</td>
<td>2</td>
<td>54</td>
</tr>
<tr>
<td>1996-97</td>
<td>1648</td>
<td>1</td>
<td>0</td>
<td>54</td>
</tr>
<tr>
<td>1997-98</td>
<td>1634</td>
<td>2</td>
<td>5</td>
<td>48</td>
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7. Written decisions do not include awards, variation to awards, miscellaneous orders or certified agreements.
8. Including Members who have resigned or retired during the year or otherwise on various forms of leave.
9. A Full Bench decision is taken to be a decision handed down by each Member of the Full Bench.

### Chambers of Commerce: Contracts, Grants or Payments

(Question Nos 1368-1835)

**Mr Bevis** asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 6 April 2000.

1368 During 1996-97 were any contracts, grants or payments made to the ACT and Region Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1369 During 1997-98 were any contracts, grants or payments made to the ACT and Region Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1370 During 1998-99 were any contracts, grants or payments made to the ACT and Region Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1371 During 1996-97 were any contracts, grants or payments made to the Chamber of Commerce and Industry of Western Australia; if so, what was the value of the contract, grant or payment.
1372 During 1997-98 were any contracts, grants or payments made to the Chamber of Commerce and Industry of Western Australia; if so, what was the value of the contract, grant or payment.
1373 During 1998-99 were any contracts, grants or payments made to the Chamber of Commerce and Industry of Western Australia; if so, what was the value of the contract, grant or payment.
1374 During 1996-97 were any contracts, grants or payments made to the South Australian Employers Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1375 During 1997-98 were any contracts, grants or payments made to the South Australian Employers Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1376 During 1998-99 were any contracts, grants or payments made to the South Australian Employers Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1377 During 1996-97 were any contracts, grants or payments made to the State Chamber of Commerce (New South Wales); if so, what was the value of the contract, grant or payment.
1378 During 1997-98 were any contracts, grants or payments made to the State Chamber of Commerce (New South Wales); if so, what was the value of the contract, grant or payment.
1379 During 1998-99 were any contracts, grants or payments made to the State Chamber of Commerce (New South Wales); if so, what was the value of the contract, grant or payment.
1380 During 1996-97 were any contracts, grants or payments made to the Northern Territory Chamber of Commerce and Industry Incorporated; if so, what was the value of the contract, grant or payment.
1381 During 1997-98 were any contracts, grants or payments made to the Northern Territory Chamber of Commerce and Industry Incorporated; if so, what was the value of the contract, grant or payment.
1382 During 1998-99 were any contracts, grants or payments made to the Northern Territory Chamber of Commerce and Industry Incorporated; if so, what was the value of the contract, grant or payment.
1383 During 1996-97 were any contracts, grants or payments made to the Tasmanian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1384 During 1997-98 were any contracts, grants or payments made to the Tasmanian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.
1385 During 1998-99 were any contracts, grants or payments made to the Tasmanian Chamber of Commerce and Industry; if so, what was the value of the contract, grant or payment.

Mr Truss—The answer to the honourable member’s question is as follows:
For Question numbers 1368, 1369, 1370, 1373, 1374, 1375, 1376, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385 no contracts, grants or payments were made.

<table>
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<th>Question Number</th>
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Agricultural Associations: Contracts, Grants or Payments
(Question Nos 1391-1411)

Mr Bevis asked the Minister for Agriculture, Fisheries and Forestry, upon notice, on 10 April 2000:
1391 During 1996-97 were any contracts, grants or payments made to the Australian Cane Growers Council Limited; if so, what was the value of the contract, grant or payment.
1392 During 1997-98 were any contracts, grants or payments made to the Australian Cane Growers Council Limited; if so, what was the value of the contract, grant or payment.
1393 During 1998-99 were any contracts, grants or payments made to the Australian Cane Growers Council Limited; if so, what was the value of the contract, grant or payment.
1394 During 1996-97 were any contracts, grants or payments made to the United Graziers Association of Central and Northern Queensland; if so, what was the value of the contract, grant or payment.
1395 During 1997-98 were any contracts, grants or payments made to the United Graziers Association of Central and Northern Queensland; if so, what was the value of the contract, grant or payment.
1396 During 1998-99 were any contracts, grants or payments made to the United Graziers Association of Central and Northern Queensland; if so, what was the value of the contract, grant or payment.
1397 During 1996-97 were any contracts, grants or payments made to the United Graziers Association of Queensland; if so, what was the value of the contract, grant or payment.
1398 During 1997-98 were any contracts, grants or payments made to the United Graziers Association of Queensland; if so, what was the value of the contract, grant or payment.
1399 During 1998-99 were any contracts, grants or payments made to the United Graziers Association of Queensland; if so, what was the value of the contract, grant or payment.
During 1996-97 were any contracts, grants or payments made to the Australian Pig Breeders Association Limited; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Australian Pig Breeders Association Limited; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Australian Pig Breeders Association Limited; if so, what was the value of the contract, grant or payment.

During 1996-97 were any contracts, grants or payments made to the Australian Deer Farmers Federation; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Australian Deer Farmers Federation; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Australian Deer Farmers Federation; if so, what was the value of the contract, grant or payment.

During 1996-97 were any contracts, grants or payments made to the Australian Citrus Growers Federation; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Australian Citrus Growers Federation; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Australian Citrus Growers Federation; if so, what was the value of the contract, grant or payment.

During 1996-97 were any contracts, grants or payments made to the Australian Chicken Growers Council; if so, what was the value of the contract, grant or payment.

During 1997-98 were any contracts, grants or payments made to the Australian Chicken Growers Council; if so, what was the value of the contract, grant or payment.

During 1998-99 were any contracts, grants or payments made to the Australian Chicken Growers Council; if so, what was the value of the contract, grant or payment.

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

For Question numbers 1394, 1395, 1396, 1397, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1409, 1410, 1411 no contracts, grants or payments were made.

<table>
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<tr>
<th>Question Number</th>
<th>Organisation Name</th>
<th>Financial Year</th>
<th>Value of the contract, grant or payment</th>
</tr>
</thead>
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<td>Australian Citrus Growers Federation</td>
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**New Enterprise Incentive Scheme**

(Question No. 1416)

Mr Jenkins asked the Minister for Employment Services, upon notice, on 11 April 2000:

(1) How many providers of the New Enterprise Incentive Scheme were there in the Eastern Melbourne Labour Market Region of his Department (a) in 1996, (b) in 1997 and (c) prior to the commencement of the first employment services contract period of the Job Network.

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

The Eastern Melbourne Labour Market Region was the term used to describe a particular area for the purpose of the Job Network which commenced on 1 May 1998. An analysis of Departmental records for the period covered by the question (1 January 1996 – 30 April 1998) indicates that, in relation to that geographical area, there were 10 New Enterprise Scheme (NEIS) providers operating from 11 sites.
Job Network: Providers Hours of Operation
(Question No. 1417)

Mr Jenkins asked the Minister for Employment Services, upon notice, on 11 April 2000:
What are the hours of operation for each Job Network provider site in the Eastern Melbourne Labour Market Region of his Department.

Mr Abbott—The answer to the honourable member’s question is as follows:
I understand that the question in fact seeks information relating to the Melbourne Labour Market Region, not the Eastern Melbourne Labour Market Region.
As at 20 April 2000, in the Melbourne Labour Market Region the following sites were operating:
. 273 permanent full-time sites which operate normal business hours Monday to Friday;
. 6 permanent part-time sites at which there is a regular weekly presence with hours of operation less than a full-time site; and
. 21 outreach sites at which there is a regular presence, for example, operating on a monthly, seasonal or “as the need arises” basis, that may operate at a local library, school or other location.

Imports: Steel
(Question No. 1420)

Mr Beazley asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 11 April 2000:

(1) Has fabricated steel been imported from South Africa to construct a fertilizer plant in Kwinana, WA, in a project associated with Interpact Holdings.
(2) Does the Minister agree with the Australian Institute of Steel Construction that the steel imported for the Kwinana project is part of a flood of steel imports across the country.
(3) How many tonnes of fabricated steel have been imported into Australia (a) since March 1999 and (b) during 1997-98 and 1998-99.
(4) How many Australian projects currently under way involve the use of imported fabricated steelwork.
(5) What are the details of any Commonwealth Government funds or subsidies granted to Australian projects currently under way involving the use of imported fabricated steelwork.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

(1) Sourcing arrangements for private sector projects is a matter for project proponents and developers.
(2) No. Over 85 per cent of Australia’s fabricated steel market is supplied by local producers.
(3) (a)In the twelve months ending February 2000, imports of fabricated steel products were 657,773 tonnes.
(b) The gross weight of imported fabricated steel products was 577,482 tonnes in 1997-98, and 604,949 tonnes in 1998-99.
(4) The Commonwealth does not monitor the importation of fabricated steelwork or other materials on a project by project basis.
(5) The source of materials for projects is a commercial matter for the project proponents and developers. The Commonwealth Government’s policy is to encourage full and fair opportunity for Australian suppliers to compete in major projects. The Industrial Supplies Offices and the national Industrial Supplies Office Network is working to maximise Australian participation in major projects, including through small-medium enterprises and in regional Australia.

Imports: Steel
(Question No. 1421)

Mr Beazley asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 11 April 2000:
(1) Is the Minister able to say whether the steel towers for a $43 million wind farm near Albany, WA, are likely to be fabricated overseas.

(2) Do the fabrication workshops in Kwinana form the core of the most capable, most competitive but most depressed steel fabrication precinct in Australia; if so, what steps will the Minister take to ensure that projects of this kind are returned to Kwinana.

Mr Moore—The Minister for Industry, Science and Resources has provided the following answer to the honorable member’s question:

(1) The source of the steel towers is a matter for the WA Government and Western Power.

(2) The importance of a world class engineering and metal fabrication complex in the Kwinana-Jervoise Bay region to service major resource based projects has been recognised through the commitment of $80 million from the Commonwealth’s Federation Fund.

The Commonwealth’s policy is to provide full and fair opportunity for Australian firms to participate in major projects and to support the network of Industrial Supplies Offices to increase Australian participation in public and private projects.

Federal Court: Jurisdiction

(Question No. 1426)

Mr McClelland asked the Attorney-General, upon notice, on 12 April 2000:

(1) In each calendar month from July 1997 to March 2000, how many Corporations Law matters were (a) filed, (b) completed and (c) current in the Federal Court.

(2) What is the status of his discussion with Attorneys-General of each of the States and Territories in relation to achieving a referral of powers by each of those jurisdictions to the Commonwealth to address the problems created by the decision of the High Court in *Re Wakim*.

(3) What is the estimated cost of holding a referendum to amend the Commonwealth Constitution to allow federal courts to exercise state jurisdiction (a) in conjunction with a federal election and (b) as a stand-alone referendum.

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

(1) The attached table sets out this information.

(2) The impact of the High Court’s decision in *Re Wakim* has been greatest in the area of the Corporations Law, for which the Minister for Financial Services and Regulation, Mr Hockey, is responsible. Further issues about corporate law regulation have been raised by the decision of the High Court in *The Queen v Hughes*, which was handed down on 3 May 2000.

At the joint meeting of the Standing Committee of Attorneys-General and the Ministerial Council on Corporations held on 24 March 2000, the Attorney-General and Mr Hockey discussed with State and Territory Ministers the question of an appropriate referral of power in relation to corporate law regulation to address the problems created by *Re Wakim* and other legal challenges to the Corporations Law scheme. Most State Ministers have indicated a preparedness to consider an appropriate referral of power, although Western Australia and South Australia have expressed reservations. A detailed proposal for a referral was put to State officials by Commonwealth officials on 28 April 2000.

(3) Following the High Court’s decision in *Re Wakim*, consideration was given to various options to restore federal court jurisdiction, including the possibility of a referendum. Some initial costings were obtained from the Australian Electoral Commission on the cost of holding an appropriate referendum. The Commission’s preliminary estimate, based on the holding of a referendum at the same time as an election for the House of Representatives and half the Senate, was that the cost of putting a single referendum question to the people would be approximately $20.5m.

The AEC did not estimate the cost of holding a stand-alone referendum. While the exact cost of last year’s republic referendum has not been finally calculated as yet, the AEC estimates that its costs in relation to that referendum were approximately $71.9 million. (This figure does not include the additional amounts spent on the neutral public education conducted by the Department of Prime Minister and Cabinet, and in relation to the Yes/No campaigns.)

However, this figure is not necessarily an accurate guide to the cost of holding any stand-alone referendum. Each referendum raises different issues, and therefore different costs are likely to be incurred.
As has been previously indicated, the Commonwealth does not favour holding a referendum to remove the problems with the current Corporations Law identified in recent High Court cases. A referendum would give rise to timing difficulties and, based on historical experience of referenda, would be unlikely to succeed. Rather, the Commonwealth and most States have indicated a willingness to pursue the option of a referral of State powers to enable a Commonwealth Corporations Act to be passed with a secure constitutional foundation. (This would also have the effect of fully restoring the Federal Court’s jurisdiction in respect of corporate law matters.)

Attachment A

Corporations Law Cases Filed, Completed, Current by Month

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<th>Month</th>
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<th>Current</th>
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<td>Aug-1997</td>
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<td>Sep-1997</td>
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</table>
Mr Mossfield asked the Minister for Health and Aged Care, upon notice, on 13 April 2000:

(1) Are at least two private Hospitals in western Sydney, the Hills at Baulkham Hills and the Guildford Private Hospital, to close their doors to patients in August and September 2000 and reopen as fee paying hostels for patrons of the Olympic Games.

(2) If so, what alternative arrangements will be available for private patients’ needs during the closures.

(3) What arrangements have been, or will be, made in public hospitals to accommodate private patients unable to use the hospitals referred to in part (1).

(4) Has his attention been drawn to other closures of private hospitals to provide accommodation during the Olympic Games.

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

(1) Officers of my Department have advised me that “The Hills Private Hospital” will not be proceeding with any plans to provide hostel type accommodation over the Olympic Games period.

With regard to the Holroyd Private Hospital (formally known as the Guildford Private Hospital) I am advised that the institution will be ceasing operation temporarily from 13 September to 3 October. Their management board has made this decision based on the expected demand for services being low. They have made no formal decision to accept fee-paying clients over that period seeking accommodation.

(2) The Holroyd Private Hospital has advised officers of my Department that any patients can easily be accommodated in other private facilities over the period.

(3) The Holroyd Private Hospital has advised that they expect there to be no impact on public hospitals related to their closure over the games period.

(4) I have been advised that the Strathfield Private Hospital is looking at providing spare capacity (targeting staff only for usage over the Olympic Games period. It is still possible that if there is not enough interest, or if the beds are unavailable, this initiative will not proceed.

The impending closure of the “Charles Wentworth Private” (expected to occur in the Olympic Games period) is permanent with operations being transferred to the new Westmead Private Hospital.

Mr Mossfield asked the Minister for Health and Aged Care, 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.

Dr Wooldridge—The answer to the honourable member’s question is as follows:
(1) No.
(2 - 4) Not Applicable.