CONTENTS

THURSDAY, 1 JUNE 2000

CHAMBER HANSARD

Petroleum (Submerged Lands) Legislation Amendment Bill (No. 2) 2000—
  First Reading .......................................................... 16797
  Second Reading ..................................................... 16797

Diesel and Alternative Fuels Grants Scheme Amendment Bill 2000—
  First Reading .......................................................... 16797
  Second Reading ..................................................... 16797

Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 2000—
  First Reading .......................................................... 16798
  Second Reading ..................................................... 16798

Workplace Relations Amendment Bill 2000—
  Second Reading ..................................................... 16799
  Consideration in Detail ............................................. 16829
  Third Reading ......................................................... 16843

Appropriation Bill (No. 1) 2000-2001—
  Second Reading ..................................................... 16844

Ministerial Arrangements .................................................. 16853

Questions Without Notice—
  Industrial Relations: Australian Workplace Agreements ...................... 16853
  Industrial Relations: Disputes ........................................... 16854
  Industrial Relations: Australian Workplace Agreements ...................... 16856
  Industrial Relations: Australian Workplace Agreements ...................... 16856
  Industrial Relations: Australian Workplace Agreements ...................... 16857
  Economy: Growth ....................................................... 16858
  Industrial Relations: Australian Workplace Agreements ...................... 16859
  Goods and Services Tax: Price Increases ...................................... 16860
  Business Tax Reform: Rural and Regional Australia ............................. 16861
  Trade: APEC Meeting ............................................... 16862
  East Timor: Mail ......................................................... 16863
  Aboriginal and Torres Strait Islanders: Native Title ............................ 16863
  Auditor-General’s Report: Commonwealth Foreign Exchange Risk
    Management Practices .............................................. 16864
  Business Tax Reform: Implementation ......................................... 16866
  Auditor-General’s Report: Commonwealth Foreign Exchange Risk
    Management Practices .............................................. 16866
  Industrial Relations: Unfair Dismissal Legislation ............................... 16867
  Department of Defence: Project Costs ....................................... 16868
  Tertiary Education: Higher Education Workplace Reform Program ............ 16868

Minister for Finance and Administration and Minister for Defence—
  Motion of Censure .................................................. 16871

Papers ................................................................. 16874

Matters of Public Importance—
  Workplace Relations: Reform ......................................... 16874

Assent to Bills .......................................................... 16884

Local Government (Financial Assistance) Amendment Bill 2000—
  Main Committee Report ............................................... 16884
  Third Reading .......................................................... 16885

Committees—
  Public Works Committee ............................................. 16885
CONTENTS—continued

Report .......................................................................................................... 16885
Committees—
  Employment, Education and Workplace Relations Committee .................. 16886
  Environment and Heritage Committee ........................................................ 16886
  Membership ................................................................................................. 16886
Appropriation Bill (No. 1) 2000-2001—
  Second Reading ........................................................................................... 16886
Adjournment—
  Aboriginals and Torres Strait Islanders: Reconciliation .............................. 16893
  Second World War: Truscott Air Base .......................................................... 16894
  Goods and Services Tax: Effect on Incomes ............................................... 16895
  Spencer Gulf Air Crash .............................................................................. 16895
  Neville Bonner Indigenous Scholarship Fund ............................................. 16896
  Broadcasting: Televised Sporting Events .................................................... 16897
  Moore Electorate: Two Rocks Medical Services .......................................... 16898
Notices .............................................................................................................. 16899
MAIN COMMITTEE HANSARD
Statements by Members—
  Government Departments: Foreign Exchange Movements ......................... 16901
  Pittsworth State High School: Alcohol and Drug Focus Day ........................ 16901
  Closure of Bonlac’s Drouin Plant ................................................................. 16902
  Truck Drivers Campaign ............................................................................. 16902
  Snow Season ............................................................................................... 16903
  Goods and Services Tax: Advertising Campaign ........................................ 16904
  Waverley Park .............................................................................................. 16904
  Waverley Park .............................................................................................. 16905
Local Government (Financial Assistance) Amendment Bill 2000—
  Second Reading ........................................................................................... 16905
Committees—
  Communications, Transport and Microeconomic Reform
    Committee—Report: Government Response .............................................. 16925
Adjournment—
  Mobile Phone Tower: Castlemaine ............................................................. 16934
  Carnarvon Region ....................................................................................... 16935
  Styx Valley, Tasmania .................................................................................. 16936
  Korea: Visit .................................................................................................. 16938
  Goods and Services Tax: Indigenous Artists ............................................... 16939
  Goods and Services Tax: Indigenous Artists ............................................... 16940
  Petrie Electorate: Unemployment ................................................................. 16940
  Goods and Services Tax: Charities ............................................................... 16941
  Goods and Services Tax: Indigenous Artists ............................................... 16942
QUESTIONS ON NOTICE
  No. 1234—Regional Australia Summit: Consultation Fees ......................... 16943
  No. 1456—Domestic Violence: Legislation .................................................. 16944
  No. 1508—Immigration: High Court of Australia ....................................... 16945

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

PETROLEUM (SUBMERGED LANDS) LEGISLATION AMENDMENT BILL (No. 2) 2000

First Reading

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

Second Reading

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (9.31 a.m.)—I move:

That the bill be now read a second time.

The Petroleum (Submerged Lands) Legislation Amendment Bill (No. 2) 2000 proposes the repeal of section 130 of the Petroleum (Submerged Lands) Act 1967. Section 130 was introduced in 1985 to allow the payment of $117.1 million in 1984-85 dollars to Western Australia through an annual schedule of payments. This agreement was entered into after the Western Australian government’s gas utility sought to renegotiate domestic gas ‘take or pay’ contracts with the North West Shelf joint venture participants.

The schedule of annual payments was planned to run from 1985-86 to 2004-05. The Commonwealth, with the agreement of Western Australia, intends to discharge the remaining five years of obligations, with a single one-off payment in 1999-2000 of $79,118,990. The payment is fair and equitable to the Commonwealth and Western Australia. It is based on agreed estimates of the future obligations discounted to a current value using discount rates derived from the Commonwealth’s yield curve. Repeal of section 130 is necessary for the Commonwealth to make the payment, as the section as originally drafted did not foresee, nor allow, amounts in excess of the Commonwealth’s retained gas royalty share to be transferred to Western Australia.

The payment will deliver administrative efficiencies and simplification of petroleum taxation revenue arrangements between the Commonwealth and Western Australia. By replacing the current complicated arrangements, the payment honours the Commonwealth’s election commitment to review and simplify the administration of petroleum taxation arrangements. Furthermore, the government is delivering on its tax reform objectives of developing a fairer, more internationally competitive, more efficient and less complex tax system.

The North West Shelf project has evolved from the early stages where royalty from domestic gas was limited by the small market. It is now a mature project with the Commonwealth royalty receipts from LNG, condensate, crude oil, domestic gas and LPG far exceeding the remaining share of royalty to be paid to Western Australia under section 130. I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Melham) adjourned.

DIESEL AND ALTERNATIVE FUELS GRANTS SCHEME AMENDMENT BILL 2000

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.35 a.m.)—I move:

That the bill be now read a second time.

The Diesel and Alternative Fuels Grants Scheme Amendment Bill 2000 introduces amendments to the Diesel and Alternative Fuels Grants Scheme Act 1999 to extend entitlements in respect of certain uses of vehicles and to correct a number of administrative matters to ensure the scheme better reflects the government’s policy intent.

Firstly, amendments are necessary to give effect to the government’s decision to extend the fuel grant to primary producers located within the metropolitan areas and to people who carry goods on behalf of primary producers. As the legislation currently stands, vehicles between 4.5 tonnes and 20 tonnes gross vehicle mass operating solely within the metropolitan areas are ineligible for the grant thus excluding, in some cases, rural
businesses located within the metropolitan areas. This amendment will extend the eligibility for the grant to primary producers regardless of location.

Secondly, it is proposed to extend the fuel grant to buses operating solely within metropolitan areas and using alternative fuels. Journeys undertaken by buses between 4.5 tonnes and 20 tonnes gross vehicle mass solely within the metropolitan areas are currently ineligible for the grant. The amendment will extend the eligibility to buses using alternative fuels regardless of location.

Thirdly, it is proposed to extend the fuel grant to emergency vehicles between 4.5 tonnes and 20 tonnes gross vehicle mass using diesel and alternative fuels. This amendment would remove an anomaly whereby these vehicles would otherwise be excluded as they are considered to be special purpose vehicles not designed to carry goods or passengers. The amendment will primarily assist firefighting services and will apply regardless of whether they operate in metropolitan areas or non-metropolitan areas.

The government wishes to acknowledge in the parliament the strong interest in this issue shown by a number of honourable members and senators—in particular, the honourable members for Macquarie, McEwen, Robertson and La Trobe, and Senator the Hon. Kay Patterson.

At the same time, amendments are also proposed to:

- amend the registration requirements to ensure that claimants do not forfeit entitlements due to technicalities surrounding registration of vehicles for the scheme;
- clarify that journeys between metropolitan areas and non-metropolitan areas are eligible in both directions;
- amend the entitlement provisions to ensure that clients who seek to correct a mistake or omission from a previous claim do not lose their entitlements for both the original and the amended claim;
- provide for the payment of interest to claimants on the underpaid amount of fuel grants which are paid, or applied against debts, as a result of an objection against a fuel grant assessment.

Full details of the measures in the bill are contained in the explanatory memorandum. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Melham) adjourned.

ABORIGINAL LAND RIGHTS (NORTHERN TERRITORY) AMENDMENT BILL (No. 3) 2000

First Reading

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

Second Reading

Mr RUDDOCK (Berowra—Minister for Immigration and Multicultural Affairs and Minister Assisting the Prime Minister for Reconciliation) (9.40 a.m.)—I move:

That the bill be now read a second time.

The purpose of the Aboriginal Land Rights (Northern Territory) Amendment Bill (No. 3) 1999 is to give effect to an agreement recently made between two Aboriginal land trusts and the Central Land Council. The agreement will enable the grant to those two Aboriginal land trusts of land on which there are several redundant roads over which the public has a right of way. The roads are on land that is contiguous to the lands owned by those two land trusts. The lands are included in schedule 1 of the Aboriginal Land Rights (Northern Territory) Act 1976 (‘the land rights act’). They were granted to the trusts under section 10 of the land rights act under the headings ‘Hermannsburg’ and ‘Haasts Bluff’ respectively.

As the land rights act currently stands, only land other than that described in schedule 1 can be granted to an Aboriginal land trust that holds contiguous land, when a previously existing right of way ceases to exist. A parallel section does not exist in case of schedule 1 land.

The bill gives effect to clauses 15 and 31 of the agreement, which commit the parties to the agreement to requesting the Minister
for Aboriginal and Torres Strait Islander Affairs to amend the land rights act to correct this anomaly in respect of schedule 1 land. The amendment will have the effect of enhancing the efforts of the Northern Territory government and the land councils to achieve the resolution of land disputes by means of written agreement rather than prolonged and costly disputation.

This bill reflects the ongoing commitment by this government to assist in achieving negotiated outcomes in respect of the land rights act and to improving the act when and if required. The government has the assurance of all parties to the negotiations that representative views of all Aboriginal people concerned have been obtained and their wishes taken into account. There are no financial implications arising from this bill. I present the explanatory memorandum and commend the bill to the House.

Debate (on motion by Mr Melham) adjourned.

WORKPLACE RELATIONS AMENDMENT BILL 2000 Second Reading

Debate resumed from 31 May, on motion by Mr Reith:

That the bill be now read a second time.

upon which Mr Bevis moved by way of amendment:

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

“the House:

(1) condemns the Government for introducing a bill which:

(a) further entrenches unfairness and bias in the existing industrial relations system;

(b) is particularly biased in its application to unions only while allowing employers including the Commonwealth Government to foster and use pattern bargaining;

(c) directs the Australian Industrial Commission to have particular regard to the views of an employer when determining what constitutes pattern bargaining;

(d) reduces the opportunity for Australian workers to protect and enhance their wages and conditions of employment;

(e) further restricts the independence of the Commission;

(f) emphasises the punishment and prevention of industrial action rather than its resolution;

(g) fails to ensure that Australia’s labour standards meet our international obligations;

(h) has been introduced without providing the Parliament or the public with a proper period for consultation;

(i) reveals the Government’s partiality in failing to consult any further than employer groups on the bill; and

(1) calls on the Government to introduce a new bill which:

(a) delivers fair and equitable outcomes for Australian workers; and

(b) provides for an independent commission with the appropriate power to conciliate and arbitrate fairly and settle disputes”.

Mr McARTHRU (Corangamite) (9.42 a.m.)—I think it is important to contrast the difference between pattern bargaining which is being advocated by members opposite and the very successful outcomes that have been achieved under enterprise agreements. I draw the attention of the House to the remarkable breakthrough in the Pilbara region where enterprise agreements were introduced with the Hamersley Iron operation. There was a change in culture, annualised salaries were introduced and that strike-prone region managed to achieve a remarkable improvement in productivity. Personally, I have observed their rail operation and found it to be world-class, because they had brought about a change in the way in which the work force operated, with an emphasis on quality. Members would be aware that the union movement and BHP in that region are in some conflict over enterprise agreements and pattern bargaining. The unions are maintaining their position to have a collective set of arrangements, whereas BHP are trying valiantly to bring about a change of their company operations in that region.
It is interesting to note a comment in an article by Wolfgang Kasper, in the *Australian Financial Review* of January this year, where he talks about the background of BHP. I quote some of the interesting material in his article:

BHP grew up as a creature of Australia’s traditional protectionist and industrial relations culture. The Government granted it a national monopoly for numerous metal products, allowing management to appease unions when they decided to be troublesome.

... ... ...

Australian investors were patient, the Big Australian had the ear of ministers, and good revenues from oil and gas disguised poor returns in traditional parts of the company. A culture that suited management and unions, but did not seek to maximise the wealth of shareholders, got deeply entrenched.

He goes on to talk about the importance of the industrial relations arrangements as they affected the company:

Few industrial communities still practise the wasteful public rituals of collective bargaining in front of quasi-judicial high priests. Workers and plant managers typically seek productivity by collaboration and in competition against similar teams overseas. Work contracts are a matter for private negotiation, and work relationships are conducted as in a functioning, ordinary marriage.

That summarises the position. BHP are moving away from that former culture of pattern bargaining and CEO Paul Anderson is determined to make that fundamental change.

I turn to the very successful outcome for the Ford Motor Company that operates at Geelong and Broadmeadows. That company now has a very high-quality product and exports overseas. Only last night, at a function of the Federal Chamber of Auto Industries, it was stated that the export of automobiles is now worth $3.1 billion. They now compete in quality and price around the world. I had a discussion with the managing director of Ford, Mr Geoff Polites, and he re-emphasised the importance of enterprise agreements in the Ford Motor Company, at both Geelong and Broadmeadows. He indicated that productivity had improved, that quality standards had improved and that Ford were committed to their staff and employees.

... ... ...

It is interesting to note this morning that a member of the AMWU, Mr Ivan Jones, is saying that Ford is a pretty good company to deal with. There has been a dramatic change along the production line. I have been on the site and have noticed a fundamental change of attitude of the workers. They are almost singing on the line, they are keen to see you, and they are concerned about quality and profitability. They do not want pattern bargaining at the Ford Motor Company; they want to get on with the job and they want to improve their performance.

Likewise at Alcoa in Geelong, where the Prime Minister visited in 1995, we see the movement to 12-hour shifts on the pot line, four-day rosters and an involvement of the wives of the work force to bring about enterprise agreements where those workers could concentrate on improvements and quality performance. That kept that plant of the 1960s operating. At Patrick in Melbourne, there has been a dramatic change in the stevedoring operations. I visited the Melbourne dockland just a couple of weeks ago, where we see again the possibility of enterprise agreements, annualised salary, no overtime, no pooling of the work force—which was historically the position—and incentives to work and not get into that overtime situation. The managers are now encouraged to manage, and we are getting remarkable changes in productivity.

That contrasts quite dramatically with the position that the Leader of the Opposition has brought out overnight. I quote from a newspaper cutting this morning—although it is very hard to understand what the Leader of the Opposition is saying. ‘Beazley aims to win back workers’ is the headline. It said yesterday that Australian federal Labor ‘would not outlaw individual contracts’. But, if you read the fine print, you have some difficulty. The leader says that he would not outlaw individual contracts. The article then goes on to say:

Non-union collective workplace agreements would stay under a Labor government.

‘My view on non-union collective workplace agreements is that is all part of choice in the industrial relations system,’ Mr Beazley said.

However, the article goes on to say:
The Labor Party had a strong preference for collective agreements.

So in fact they are really supporting the pattern bargaining operation. It goes on to say: It also strongly supported an independent umpire for industrial relations.

That is bringing a third party in—the very thing that BHP and most bigger companies are moving away from. We have the union movement advocating a set of wages and conditions, we have the employer, and then we have a third party, the Industrial Relations Commission. Mr Beazley is now saying that he wants the ‘middle way’—whatever that is—and he wants to focus on the big issues.

By the list of speakers we have here today, we can see that the Labor Party are committed to turning back the enterprise agreement culture that Prime Minister Keating so strongly advocated in that famous speech. If you look at the amendments that have been put forward, it is very difficult to understand exactly what they are saying. But let us be quite clear that the Labor Party is moving back to an industrial relations system with collective bargaining by certain members of the union movement that I mentioned last night who want to exercise their industrial muscle, particularly in Victoria, using the age-old attitudes of union power to exercise their position.

I strongly support the Workplace Relations Amendment Bill 2000 before the parliament. It is an attempt to further encourage, entrench and support the position of enterprise agreements, which members opposite supported when they were in government. I commend the legislation wholeheartedly. I only hope that the Democrats will support it—which will further enhance the important industrial relations changes that were introduced by this government in 1996.

Mr RUDD (Griffith) (9.52 a.m.)—I have learnt a couple of things in my 18 months in this place. Whenever the minister for workplace relations gets to his feet, either by way of orchestrated questions in question time or by way of legislative initiative, we should always bear in mind two fundamental driving factors. The first of those factors is always deeply ideological, and the second is deeply internally party-political. It is deeply ideological in the sense that Minister Reith’s pathological determination to destroy the trade union movement is transparently clear in everything he says and does. It is deeply political, in the sense that this initiative, together with others, also is driven by Minister Reith’s ongoing political rivalry with Treasurer Costello, his political nemesis, in the pursuit of the Liberal Party leadership. In the Workplace Relations Amendment Bill 2000 before the House, we see both these factors at work. The member who has just spoken knows that only too well.

This bill is deeply ideological, in the sense of Minister Reith’s abiding hatred for organised labour and everything that it stands for. His belief in the model for the brave new Reithian world of the 21st century is in fact a return to the Dickensian industrial world of the 19th century, where workers knew their place, where the dreaded Chartists were locked out or locked up, where individual workers were left to fend for themselves to seek cold charity from those for whom they worked. I do not see any departure from these principles of a century or more ago in that which the minister has sought to legislate through this place in this bill, his second-wave legislation, and his first wave legislation. It is as if the 20th century never actually happened.

I often wonder whether you guys over there have ever really worked out what would happen if the trade union movement in the 19th century had not come into existence, because collective bargaining was the only protective device available for workers at that time in the face of such just instruments as the masters and servants act and the poorhouse. It was organised labour and collective bargaining that gave rise to basic industrial safety measures, to basic wages and conditions, and—dare I say it—to basic human dignity. None of these things would have come about had we not had the active role of trade unions, something from which all workers, unionists and non-unionists alike, have benefited for more than a century.

The government’s counterpoint to all this is that it is not necessary any more because human nature has changed: human beings no longer seek to exploit one another. And, be-
sides, unions are not necessary, they say, because basic protections are now afforded by the state through a range of legislative instruments. I take fundamental issue with all those propositions. I do not see a lot of evidence that human nature has changed. Some people will, given half a chance, continue to seek to exploit others. And if the argument is that we should all just relax and have a cup of tea, a Bex and a quick lie down, and that somehow we should think that the government will look after it all, at the end of the day, through a series of fundamental, basic legislative protections, pigs might just as well take off from Cape Canaveral, because the bottom line is that what we have seen with this government is the systematic, sequential watering down of basic industrial conditions and protections over the period of the last four years, which is, of course, why Minister Reith is determined to do everything in his power to eliminate the power of unions and to ultimately eliminate unions themselves.

We see this every week in this place. There is a daily diatribe against trade unions. There are diatribes against unions seeking to protect their members against the price impact of the consumption tax. There are diatribes against individual members of the Labor Party, those who sit on this side of the House, because they have had the audacity at some stage in their careers to have actually worked for a trade union. What a crime against humanity that is. It is almost like the chanting of a mantra. This ideology, the ideology driving the Minister for Employment, Workplace Relations and Small Business, has become something of an overwhelming personal obsession.

On the content of the bill, what we see in this piece of legislation before us is the ideology of the H.R. Nicholls Society writ large. Up until now pattern bargaining has been possible for organisations representing both employers and employees.

Mr Cadman—Untrue! How could you?

Mr Rudd—It is good to see that a representative of the H.R. Nicholls Society has just entered the chamber. After the passage of this legislation, that is, if the Senate passes it in its current form, pattern bargaining will be available only for organisations of employers, no longer for organisations of employees. This neat little rewriting of the balance underscores this government’s commitment to fairness, that is, unions out, corporations in—Minister Reith’s definition of basic social justice. How, specifically, does the minister do this in the bill? He defines pattern bargaining, that is, bargaining where unions seek common terms and conditions across a number of employers, as not eligible for definition; as protected action under the act and therefore unlawful. He requires the commission to terminate a bargaining period if current or threatened industrial action is defined as pattern bargaining, resulting in any further action no longer being protected and allowing the employer access to court proceedings. Minister Reith requires that the Industrial Relations Commission deal with applications for orders to cease industrial action within 48 hours, and if it is unable to deal with an application in that time requires the commission to issue an interim section 127 order that unlawful industrial action cease to occur. This is how Minister Reith chooses to treat unions.

But what does he do on the other side of the ledger? What does he do on the other side of the industrial equation? First, companies and their representatives remain free to pattern bargain; secondly, they will not just be free to do so, but will, in many cases, actively be encouraged to do so by the Office of the Employment Advocate; and, thirdly, this bill goes even further: it contains a provision that actually requires the commission to give special consideration to employers in any decision it takes. How absolutely extraordinary.

How would the community react if the boot were on the other foot—if a Labor Party government mandated that the AIRC gave preference to union views in reaching a decision? I think that the member opposite, the member for Mitchell, would find that an extraordinary assault on fundamental human justice. I ask those opposite to leap out of the ideological trenches—just for a moment—and imagine such a system as I have just described. Would it be faintly compatible with basic propositions of an independent umpire, faintly compatible with basic propositions of Australian fairness? I think not.
Beyond pattern bargaining itself, the crowning glory of Reith’s legislation before the House is a simultaneous assault on the independence of the Federal Court in its handling of these matters. Minister Reith has not had a happy experience with the Federal Court. It seems that Minister Reith’s response to any institution with which he has had an unhappy experience is to get rid of the institution itself or, in this case, seek to remove its jurisdiction from areas related to his portfolio responsibilities. Taken together, the restrictions on trade unions engaged in pattern bargaining and this assault on the jurisdiction of the Federal Court represent a fundamental assault on the operations of unions.

The argument of the minister, presumably, is that this is necessary because we have got the competitive pressures of the international economy and a need for a greater allocative efficiency of the labour factor of production. But I ask the minister, or any of those participating in this debate, a very simple question: name a single additional OECD country, another OECD jurisdiction, where organised labour is prevented by statute from engaging in industry wide or multi-employer bargaining. I doubt very much that they could name one.

The bottom line is: beyond ideology, what is the legal and economic rationale of this bill? The bottom line is that what we have, on the basis of some basic scrutiny, is not only bad law but bad economics. It is bad law because it explicitly favours one interest group over another, it is bad law because it is a breach of basic international labour standards and, therefore, international law; and it is bad law because it seeks to redefine the jurisdiction of the court to suit a particular ideological objective. It is bad economics because the case on which it rests is not proven. Have any of those opposite participating in this debate actually had the gumption to advance the economic argument as to why the efficiency of the Australian economy would be improved by this measure and by how much? If it is so important in terms of your definition of greater international economic competitiveness, then where is the case? Where is the quantitative case? It is simply not in existence. What we have as a consequence of that is simply an ideological assertion of what this political party wants to do.

I said at the outset that there were two factors driving these attempted changes to the IR system: the first, raw ideology; and the second, raw politics within the Liberal Party. If we were to try to track Minister Reith’s IR crusade over the last 12 months—and his aborted second wave legislation, in particular—there is almost a cyclical reaction to the taxation changes initiated by Treasurer Costello. Treasurer Costello introduces GST legislation; Minister Reith introduces second-wave legislation. Treasurer Costello introduces the Ralph legislation; Minister Reith introduces pattern bargaining legislation. Treasurer Costello gets two Dorothy dixers in question time; Minister Reith gets two Dorothy dixers in question time. It is as if we have this seesawing combat of political personalities for whom the tool at their disposal is radical policy change, both on the industrial relations front and on the taxation front, irrespective of the consequences for average Australians, who suffer in both cases as a consequence. This country, this economy, cannot afford two ministers locked in personal political combat within the Liberal Party, using major policy initiatives of this nature simply to advance their personal political ambitions when the consequences for the nation, for workers and for the weak are in fact catastrophic.

Mr BILLSON (Dunkley) (10.02 a.m.)—It is always a pleasure following the member for Griffith. He talks about ideology. He talks about what is inspiring these things, what the motives are. He rarely talks about the content in an accurate way.

Mr Rudd—But I did, Bruce. The middle part of the speech. Didn’t you hear it? The middle part of the speech was about the content in an accurate way.

Mr BILLSON—Let me just knock over a couple of his arguments. This argument that somehow these measures are designed to advantage and favour the employer because of the requirement to have the Industrial Relations Commission hear the employer’s point of view on a pattern bargaining claim is quite an amusing one. What the provision is supposed to be doing—
Mr Rudd interjecting—

Mr BILLSON—We all know the member for Griffith cannot help himself and needs to keep talking all of the time. There is further evidence of it today. What the member for Griffith failed to point out is that the amendment that is before the parliament today about the commission being obliged to hear from the employer in relation to pattern bargaining claims is actually embedded in an existing framework that provides the rights for employer representatives and employee organisations, like unions, to put their point to the commission. This amendment seeks to say, ‘If there is a pattern bargaining claim going on and a judgment needs to be made about an employer’s capacity to accommodate that pattern bargaining claim, you should listen to the employer, they will have a view.’ That does not strike me as being entirely unreasonable.

It just illustrates the absolute bunkum that the member for Griffith has gone with—likewise, his colleague from Queensland, the shadow minister—trying to make it sound as though this amending provision is going to tip the balance in advocacy opportunities before the commission. That is simply garbage. This is an amending provision that is embedded within the existing framework of the Workplace Relations Act that gives the commission a right to hear from a range of parties, including employee representatives. When it comes to determining a question about whether a pattern bargaining claim can be accommodated at an enterprise level this amendment says, ‘You should take on board what the enterprise thinks.’ That does not strike me as unreasonable, and it certainly shows the nonsense of the claims that are being made by those members opposite.

The Workplace Relations Amendment Bill 2000 is another instalment in the coalition government’s workplace relations program, which is designed to allow employees and employers to sit down like adults and negotiate improved pay for improved productivity, improved work performance at the enterprise level, and, through that process, pursue the mutual interests of both parties. Time will not permit me to go through the provisions of the Workplace Relations Act that have supported that concept.

The member for Griffith scurries out, having been shown to be quite misrepresentative in his claims about the AIRC. He failed to talk about the benefits of the workplace relations program. The OECD, not always known to be a friend of governments around the world, has said, ‘Let’s have a look at the benefits of the government’s program.’ Our unemployment rate is projected to decline to 6.4 per cent in the year 2000. Our growth forecasts have been revised up to 3.9 per cent in the year 2000 and 3.7 per cent in the year 2001. Wages are the great embarrassment of the ALP. During its time in the eighties we saw a decline in real wages by an average of 0.2 per cent per annum—a decline in real wages in Labor’s 1980s years. Compare this to the last four years under the coalition where we have seen a 2.3 per cent growth in average real wages. That is an impressive performance. Productivity has gone through the roof too in the last four years under these workplace relations arrangements: a 2.8 per cent increase in productivity—double the rate that was achievable in the eighties under Labor.

You hear those opposite talk about what evil has been inflicted on this country through the workplace relations system that has been introduced, but have a look at the results. The results speak for themselves. They have been comprehensively positive in every respect, delivering better outcomes for Australian workers, delivering better productivity in the workplace and delivering more security for all of those that are investing, that are working and that are providing their labour in workplaces across Australia.

What this is about, though, is the enterprise bargaining system, a simple idea that says workplaces and those that are stakeholders in them are best placed to decide how to take that workplace forward, a simple idea where adults can sit down and understand the pressures that are being faced in the workplace and can work with management, can work with investors, can work with employees, can look at what the competitors are doing and can provide a platform for all of them to move forward in mutual benefit so
that, as the enterprise becomes more productive and, hopefully, more profitable, the employees can share in that successful outcome. That is what we are talking about today, and we are talking about a threat that is presented to it by this system of pattern bargaining across industries.

We have talked about Campaign 2000 and the impact it will have on the manufacturing sector. Let us stop for a minute and talk about the real lives of people in that sector. In the community I represent, we have a very vibrant and buoyant manufacturing sector whose competitors are not just the bloke next door. It competes with other providers of automotive componentry and high quality electronics gear and the like from around the world. People look at what has happened in the building industry and say, ‘Well, gee, it has not brought the building industry grinding to a halt’—this pattern bargaining, this muscle flexing, the using of industrial action to make union representatives look good, to support their re-election and further their own little interests. What has happened in the building industry? The thing about the building industry is that, if you want to build something in Australia, you build it in Australia. If you want to build an office building in downtown Melbourne and you are unhappy with the arrangements because of the cost of building it and maybe unreasonable labour demands, you cannot decide, ‘Gee, I really want to build this building in Melbourne, but I am unhappy about this. I will move it to Auckland.’ It does not happen. It is by its very nature a protected industry. If you want to build something in Australia you build it in Australia, and if you are unhappy about the price or the quality of the work or the arrangements for when it will be completed you cannot pack the project up and move it; you have just got to wear it. So people who are involved in the building industry just wear it. They just cop the cost on-flow. That is why the building industry is engaged in these sorts of activities.

The manufacturing sector is now faced with the same pressures, but the climate is different. If unreasonable demands are placed on employers that price them out of competition and out of being competitive, what happens is that we lose the work, we lose the business, we lose the employment and we lose the jobs, and people’s chances to provide for their families and themselves go out the door. The manufacturing sector is not a homogeneous area of our economy either. Different pressures are being faced by different segments of the manufacturing industry. Let us take, for instance, automotive componentry. They are engaged in a global competition. If the security systems that go into automobiles that are made by people from the community I represent are not what the market is looking for, they will buy them somewhere else. And if those employers and employees working for their shared mutual benefit cannot sit down and work together to deal not only with the domestic competition but with what is coming in from overseas, they are all out of a job. That is very different from the building industry, where you just cop it or decide whether or not to build it at all. They do not have other competition; they cannot shift the activity offshore, they do not face competitors on an international scale and they do not have to contribute to a global marketplace like the motor car industry does. They do not have to compete with that. But here you have inflicted on an industry this type of one-size-fits-all mentality that might be fine in a protected place like the building industry but which is going to cost jobs—jobs of the people I represent in the manufacturing industry.

Last night we heard the Deputy Prime Minister talk about how, in 1995 under Labor, this great nation of ours, recognised for having some of the world’s best technology and high quality manufacturing capacity, exported—how many cars? One. One car. I facetiously said that maybe it was Jack Nasser’s as he went over to the United States. Now, in the last 12 months, you are talking about 30,000 or 40,000 models coming out of the major assemblers in this country. It is world-class product: competitive and able to strut its stuff in the global marketplace. And that means jobs—not only for people who are assembling those cars but for the people in my electorate who work in the automotive component industry. Last year the automotive component industry had $2 billion worth of exports—$2 billion worth of real jobs—because those industries were able to sit
cause those industries were able to sit down and effectively work through their issues in the workplace, where the stakeholders could join together and say, ‘Here are the pressures we are facing. How can we best cope with these competitive pressures? What can we do to improve our productivity? How can we make sure we are not only holding onto our market share here but also expanding and taking our product out to the world?’ Through that shared benefit and mutual interest at the workplace, they were able to take account of those conditions and move forward with a set of workplace arrangements that suited their conditions and the operating environment they were in. Through the flexibility these workplace arrangements offer, they had a chance to do what was right for that business and all its stakeholders, including the employees.

You hear those opposite stand here and say, ‘Let’s look after the workers.’ Why don’t you actually do something about it, though? Rather than perpetually flap your gums about it and then do nothing to back them up when their enterprises become insolvent—and we have got to do that as well—why don’t you work to deliver real wage increases? The coalition has done that for the working men and women of Australia. Their jobs matter and their workplaces matter and, if we do not give a workplace the flexibility to deal with the conditions in which they function and compete so that it can be a prosperous workplace delivering improved wages, salaries and conditions for the people that work in it and some return for the people who put their money on the line to try and provide these investment and employment opportunities, there is something wrong. Those opposite have to ask themselves: are they driven by pure ideology? Are they driven by the militant unions? In Gary Gray’s last comments before he moved on, he was actually saying that the union movement and the Labor Party were one and the same—’We have got to be pals.’ That is okay, but don’t come in here just parroting garbage about ‘This is an attack on workers’ when you do not take into account for one minute the actual worker. The coalition government’s amendment says that pattern bargaining across industries that have different competitive conditions, different opportunities, different pressures and different interests in the workplace cannot work. We are trying to make sure that people can pursue those differences at the workplace level so that everybody can prosper, so that the workers’ jobs can be made secure through improved productivity, so that better standards of living can be achieved through increases in average wages—as has been delivered by the coalition since it was elected—and so that employers and those who invest in those businesses have some prospect of getting a return. That, at the end of the day, is the job creation cycle. If there is nothing to make, no market to service and no-one to invest, no-one has a job.

I wish those opposite would realise that this is about protecting workers’ opportunity to have a job and hopefully giving more people an opportunity to gain employment in forward-looking, productive areas of our economy like the manufacturing industry, as evidenced by the figures Minister Anderson shared at the dinner last night. Do yourselves a favour and look after some workers. Give them the chance to work with their employers to carve out a better future that takes account of the particular pressures they are facing. Do not allow yourselves to be bumped off line by the bunkum that this is somehow an attack on unions. It is not at all. Unions have a good place. I used to be a union member. They have a place in our economy. One in five people in the private sector think they have a place. That is okay. This is not about attacking them; this is about giving the workplace a chance to succeed and not laying a one-size-fits-all solution across a manufacturing sector that is so diverse. A few of you need to go out, have a look at it and understand that point. You would find out how ridiculous your argument is against the legislation before the parliament at the moment. In the interests of all workers in the manufacturing industry, I urge you to give them the chance to succeed. That is what enterprise bargaining is about. I support the bill before the House.

Mr WILKIE (Swan) (10.15 a.m.)—The Workplace Relations Amendment Bill 2000 acts on demands from the Australian Industry Group and the Business Council of Australia and is just as insidious as the second-wave
There is no room for negotiation and compromise in Minister Reith’s latest plans. Even the most cursory glance at the statistics reveals that Australian employees had a reduction in real labour costs of 0.3 per cent in the last year and increases in productivity of 2.3 per cent in the same period. Furthermore, I understand that the capital-labour ratio slipped further to capital by 1.5 per cent.

In the budget papers even the minister applauded the increase in productivity, stating that the biggest increases had been ‘in those industries dominated by enterprise bargaining’. For once he was right. Productivity across all sectors has actually risen by 12.3 per cent over the last four years. Of course, the minister would be the first to concede that labour productivity has risen due to the investment in education and in the skills of the workforce undertaken by the Labor Party when we were in office! Now we are subject to a rushed Senate committee and public hearings process which has been designed by the government to guillotine public debate.

If the AIRC—
that is, the Industrial Relations Commission—
was given a proper role to assist the parties in the negotiation of enterprise agreements and it possessed effective dispute settling powers, there would be little need for the parties to resort to industrial action or legal remedies. The AIRC would thereby provide the mechanism for the protection of the rights of either employers or employees who are being coerced into an agreement not of their choice.

Four state governments have opposed the bill. In its submission the Victorian government notes the broad scope of the pattern bargaining bill and says:

It ... is not just about ‘pattern bargaining’. It seeks to reduce employees’ and unions’ bargaining rights in a number of ways, even where there is no suggestion of pattern bargaining. It is a one-sided, unfair bill.

The bill defines ‘pattern bargaining’ as ‘seeking common wages and/or other employee entitlements’ by unions as part of a campaign beyond one work site, where those common claims could have been sought at the enterprise level. Remember long service leave, maternity leave, sick leave and other benefits? They were all won through common claims. I take it that Minister Reith is not in favour of employees having any of these sorts of entitlements.

The bill further shifts the balance of power in workplaces in favour of employers. In reality, it forces employees to bargain down their wages and conditions against competitors, including overseas competitors, in a race to the bottom. Unions who pattern bargain and pursue common claims will have their bargaining period terminated and employees will be unable to take protected industrial action. Employers, on the other hand, will have added power. They will be able to pursue common claims and lawfully close a place of employment to their employees.
Perhaps the most appalling aspect of the legislation is its vision for the Industrial Relations Commission, which will be required to give priority to employer evidence to determine whether a common claim could have been sought at the enterprise level. The commission will have no discretion to decide whether to terminate a bargaining period when a union is pattern bargaining. All they need is an application by the employer. Further, the order terminating the bargaining period can prevent unions from initiating a new bargaining period or impose conditions on a new bargaining period. Thus, employers can hang workers out for an indefinite period—a potential wage freeze. The commission must hear and determine applications for section 127 orders within 48 hours of application. If this does not occur, an interim order for the boss is automatic. Section 127 deals with orders to stop or prevent industrial action. As soon as workers go to the bargaining table with strength behind them, the employers can rush to the commission or to the courts for protection. Employers can seek, and the commission must grant, a cooling-off period within 48 hours. If, however, the union action is effective, in practice it can be made null and void.

Minister Reith is trying to bludgeon the bill through the parliament before the end of June with only one day set aside for public hearings. The community must be bemused by the fact that the minister must have something to hide and that this process is both unworkable and undemocratic. In fact, it denies the community a voice. Of course, this is the same minister who supported the 22 per cent salary increases for executives last year to bring these salaries to an average of $1.45 million whilst at the same time denying those on the lowest wage a $25 a week cost of living adjustment.

These new laws, in whatever form, will only make it harder for working Australians to maintain their standard of living in the face of rising interest rates and prices. That is all right, I suppose, if you are a minister with a professional background on a high salary with plenty of contacts, but what of the average worker on his $29,000 and his wife on $12,000 having to work to make ends meet and send the children to higher education or TAFE? The indifference of this man to the plight of the average employee is disturbing to say the least.

If this bill becomes law, Australia will be the only industrialised country to outlaw industry-wide bargaining. Many workers and their employers rely on this system to provide fair outcomes—shop assistants, teachers, nurses, actors, bank and hotel workers and many others. Even in nations that we frequently criticise as having less than fair industrial relations, such as the United States, unions can bargain on an industry-wide basis for agreements covering workers’ wages and conditions. I am led to believe that Mr Reith, in his infinite wisdom, now wants us to comply with similar strategies adopted in Chile and Turkey. In Australia, agreements are generally required to be with a single enterprise, and industrial action cannot lawfully be taken in support of a multimember agreement. This bill outlaws industrial action where workers are trying to achieve common claims and where the Industrial Relations Commission considers this could deter agreements at the workplace level.

In reality, it will not matter if the industrial action fits the definition of pattern bargaining, because the bill also requires the commission to stop industrial action within 48 hours of an employer making an application, unless the issues can be determined in that time. The minister says the bill is designed to defend enterprise bargaining in the face of unions attempting to destroy it. But it is not about that at all. The bill is simply another attempt by the minister to bias the process in favour of employers by making it impossible for union members to campaign for better wages and conditions. Our existing laws have been criticised by the International Labour Organisation on this very point, yet Minister Reith continues to repeatedly ignore international standards. A union would be stopped from trying to achieve gains that were applied across an industry. For example, a campaign for wage increases to cover GST price increases would be outlawed, and so would moves to improve maternity leave for long-term casuals, protection of employee entitlements or reasonable working hours. Unions
must be free to develop claims across an industry or throughout the workforce; otherwise enterprise bargaining will only be about employers imposing their demands on workers—in other words, a one-way street for employers only.

The reality is that this minister has been a failure, which is lucky for most Australians doing it tough on their $29,000 median wage. He has failed to get his second-wave laws passed. He lost the vote to transfer important industrial relations powers to the newly created Federal Magistrates Court. He lost the second-wave changes to unfair dismissal laws. He was dragged kicking and screaming into the debate about workers' entitlements and has been forced to do something about employee entitlements of insolvent companies only to see his good friend the Treasurer buy into the issue supporting an insurance based scheme. The last time there were some differences in opinion between the Treasurer and the Minister for Employment, Workplace Relations and Small Business over the GST and its impact on wages, the Treasurer made this comment on 10 May:

I have no difficulty in convincing the minister of that, or indeed of most things. I find him a very convincible fellow ...

So I am sure the Treasurer will win out in this argument also. In conclusion, Labor will be moving second reading amendments to the bill to restore the independence of the Australian Industrial Relations Commission and its powers so that the commission will have the power to conciliate and, where necessary, arbitrate bargaining disputes; to ensure that parties negotiate in good faith; to arbitrate disputes where a disagreement has been intractable; to make or vary awards in order to resolve disputes; and to remove the restriction on allowable award matters so that any matter the subject of a dispute may be resolved by a binding award. It is about time this minister started to exist in the real world. He has to get out from beneath his mahogany table, put down the Mont Blanc and start to appreciate the world in which the workers of Australia live and operate.

Mr CADMAN (Mitchell) (10.27 a.m.)—It is obvious that the Australian Labor Party do not trust their own members. They do not trust them to enter into enterprise bargaining. The fact of the matter is—and the Australian Labor Party need to learn this—that under the systems introduced by the current government workers have benefited by a total of a real two per cent increase in wages and salaries and greater productivity. They are better off than they ever were in the 13 years of Labor where wages and conditions declined year after year, week after week, month after month. They do not care about the workers of Australia, and then they come in here and bleat this stuff which comes out of the ark with Noah: Hawke, Keating, Ralph Willis and Simon Crean—all those people—put their hearts and minds into trying to turn the economy around, and they worked hard with the union movement. They produced wrong results. But at least the conditions and ethos started to change.

With the election of this government, we seized the opportunity to say, 'Let's trust the workers to negotiate for themselves with the bosses and see what the results are.' The results are obvious—an increase in wages and productivity. You have those rotten thugs from the union movement, who drive around in their cars, sit in flash offices and contribute nothing to the process, except create division, intervention and problems where there are none, out of the way. This government has seen that both the employers and the employees need to cooperate for there to be results in the workplace. They have common goals. They want continuing work. Any employer wants continued work, increased productivity and increased profitability. He wants to have a long-term prospect. His shareholders want to have a long-term prospect, and so do the workers that he employs. For goodness sake, I cannot believe that the Australian Labor Party, which is made up and controlled by the union movement, is still bleating this sort of stuff when the results are on the board after a short four years. Only after four years has there been this increase for every Australian worker. You are trying to prevent it from being extended. You are trying to prevent them from gaining further benefits. Day after day in the industrial courts, in the Senate and in this place, we have the rump of industrial Australia trying to drag us back to the past.
I cannot believe that the Leader of the Opposition, Kim Beazley, wants to make this a major issue at the next election. I believe he is on the wrong tram, because this is an area where the workers of Australia know that they have benefited. They know they have increased their take-home pay. They know their families are better off because there are fewer stoppages. They know that even in those difficult industries—the building and transport industries—where the militancy of unions is most prominent, there has been greater continuity, productivity and take-home pay.

We are heading back to the old days of leapfrogging wages and comparative wage justice, where one union looks at their neighbouring union and says, ‘How can we get more conditions for our workers than you have for yours?’ What do they do? Under the formula espoused by the Australian Labor Party, all they have to do is create a stoppage. If they create a dispute of any sort, it is into the court and the lawyers take over. The blokes and their families get no money, but the unionists are in the court enjoying themselves. Six months later, an increase comes through. Who has benefited from that? Nobody, because in the down time, there is lost salary and wages, lost opportunity and lost productivity.

The result can be seen. Measure your own 13 years against the last four, and you will see it. You are going back to the dark ages. For goodness sake, drag yourselves forward. There is no future for Australia while the opposition hold these antiquated ideas. The nation has been through this argument; surely we do not have to go through it again.

The proposals that are before the House today are that we should not have industry-wide disputes, that we should not have inter-industry disputes and that the geriatric approach of the Australian Labor Party to these issues should be rejected. I think business by business that has been proved in Victoria and in other states—even in New South Wales, where under Bob Carr there are some severe limitations on employees, with WorkCover and unfair dismissal still limiting employees’ opportunities to take up jobs. The fact of the matter is that, in Australia today, we have moved ahead and we will continue to move ahead whilst there is a great deal of trust.

For goodness sake, we saw Charlie on the box this morning raving about reconciliation and the Prime Minister. Surely in the workplace there should be some attitude of reconciliation, but you are intending to create warfare again. That is what you are going to feed off; you are going to feed off the differences that you create between the employer and the employee. You want to go back to that disruptive, disputing, court managed process. Australians do not need that, and young Australians do not need that. They are more intelligent than that, and I believe that most members of the Australian Labor Party are more intelligent than that. This continual disruption and blockage is not needed.

Pattern bargaining is not about putting unions down. It is about allowing freedom from control by people who build their power by disruption. That is a process of fairness and reconciliation. It is a pity it even has to be legislated but some individuals, in order to retain their positions in the union move-
ment—encouraged I would have to say by the Premier of Victoria, who seems absolutely lost or captive in these areas; I do not know which—seem to be taking this new cause, not from the intelligent, thoughtful end of the industrial spectrum but from the aggressive, thug-like end of the industrial relations arena. More jobs, more take-home pay, fewer stoppages: that is the record of the last four years and that should be our goal.

The Minister for Employment, Workplace Relations and Small Business, Peter Reith, has introduced this legislation to stop the proposal that pattern bargaining is a basis on which the Australian Industrial Relations Commission can terminate a bargaining period. Once the bargaining period is terminated, industrial action in pursuit of such claims will be unlawful. That is all it is, so why should we have extended bargaining periods? A reasonable period for bargaining to set wages and conditions is what this government wants. Our runs are on the board; yours are not. You need to find a better way of doing things, because going back 20 or 30 years to the days of raising disputes and disruption and going to the courts as a way of solving problems will only lead to the results you got in government: fewer jobs, higher interest rates and lower wages.

Mr DEPUTY SPEAKER (Mr Jenkins)—Before calling the honourable member for Bendigo, I remind the honourable member for Mitchell, as a long serving member of this House, that he should address his remarks to the House through the chair, rather than addressing his remarks to the chair. I hope he keeps that in mind on future occasions.

Mr Cadman—Thank you, Mr Deputy Speaker.

Mr GIBBONS (Bendigo) (10.37 a.m.)—I rise to participate in this Workplace Relations Amendment Bill 2000 debate, which represents just another attempt to block workers, through their unions, from maintaining and improving wages and conditions. These amendments are designed to outlaw industrial action by what is called pattern bargaining. In true Yés, Minister fashion, the explanatory memorandum outlines a set of objectives which allegedly enhance our system of workplace relations when, in reality, the exact opposite applies.

The bill, according to the explanatory memorandum, will amend the Workplace Relations Act 1996 to:

define ‘pattern bargaining’ (that is, bargaining where unions seek common terms and conditions across a number of employers, regardless of the circumstances of the individual businesses concerned), and provide defined consequences where pattern bargaining occurs (in particular, the termination of the relevant bargaining period, so that industrial action is no longer protected);

enhance the effectiveness of the Australian Industrial Relations Commission’s ... power to issue orders that unlawful industrial action cease or not occur;

provide access to cooling off periods in respect of protected industrial action; and

Protect rights to pursue common law remedies in response to unlawful industrial action in Supreme Courts without additional litigation in the form of anti suit injunctions being sought from or issued by the Federal Court.

This bill is designed to prevent pattern bargaining, but only by trade unions. Employers and their organisations will still be free to pattern bargain. Pattern bargaining is supported by organisations such as the Office of the Employment Advocate and, in fact, the Minister for Employment, Workplace Relations and Small Business’s own department through template agreements recommended to individual firms.

The government claims that these changes are vital to aid the strong economic growth that it so often tells us about. I remind the House that throughout regional Victoria we are yet to see evidence of the benefits of economic growth. I have often said that the government just does not understand that in regional Australia, and in particular regional Victoria, if you take away the purchasing power of salary and wage earners, making them work for less, that lessens their spending power. These people dispose of all of their income every week or fortnight. If you take away that purchasing power, that impacts on other small businesses and their ability to employ people. So it is a myth that this is going to aid economic growth, especially in regional Victoria. This amendment is supposed to assist small businesses but, on
the contrary, in keeping with the Yes, Minister scenario, it does precisely the opposite. Small businesses need certainty, and they certainly will not get it with this legislation. Again, the government claims to be the champion of small business, but when you have a good hard look at it, the government only represents small business associations. The overwhelming majority of small businesses in Australia are not members of an association. As I have said before, out of roughly 900,000 small businesses identified in ABS statistics, about only 33 per cent are members of small business associations. The rest of them go it alone. So the government’s claim that it is the champion and representative of small business is just a myth, and one that needs to be exposed.

The real intent of the workplace relations amendments is to destroy workers’ wages and conditions and to undermine their bargaining position by attempting to remove trade unions from the system. This, of course, is what was always intended by Mr Reith and Mr Howard. There is a consistent thread behind all of their legislation—to make life harder for workers and easier for employers. This consistent thread of the Howard-Reith philosophy is evident from the instant dismissal of a Telstra call centre employee in Bendigo for not producing a sick leave certificate for a two-day absence due to illness. This has brought a flood of staff anger about Telstra management’s philosophy and, indeed, the whole workplace relations philosophy of the Howard-Reith government. The wide media publicity about this sacking and Telstra management’s constant attacks on sick leave entitlements and their invasion of personal privacy has generated widespread calls to take national protest action in defence of basic rights and award conditions. This Telstra employee has, in Telstra’s own words ‘above satisfactory work performance’. He has been employed with the company since July 1992. His award states:

In the case of illness of an employee the corporation may, on production of satisfactory medical evidence, grant the employee leave of absence. Provided that sick leave may be granted for up to five days in any sick leave year without medical evidence provided that no continuous period of sick leave exceeds three days.

This employee’s sick leave was within the award but Telstra still sacked him. So here we have one of Australia’s biggest companies taking advantage of the Howard-Reith workplace relations system to dismiss a worker who, by Telstra’s own description, has an ‘above satisfactory work performance’ level, simply because they want to continuously downsize their work force.

The ACTU have provided an excellent submission to the Senate committee and outlined precisely the impact of these changes, if implemented. In their submission, they state that the proposals contained in the bill had their origins in the Workplace Relations Legislation Amendment Bill 1999, which was the subject of an inquiry by the Senate committee late last year. Following the report of the committee in November, the bill was not proceeded with in the Senate, presumably because it was clear that the substantial provisions had not attracted sufficient support to ensure its passage through the Senate. The timing of this bill and the limited period for submissions to, and consideration by, the Senate committee reflect a partisan and opportunistic attempt by the minister to intervene in the enterprise bargaining process in the manufacturing industry on behalf of employers generally, and the AIG in particular.

The effects of the bill, if passed, however, would extend to every industry and the entire bargaining process, forcing even greater decentralisation of bargaining in the economy generally, to an extent unknown in any country with a legal system of collective bargaining. If passed, this bill will place Australia even further in breach of international law and practice in relation to collective bargaining, make it impossible for unions to function as collective organisations of members across a number of employers, increase inequity and insecurity in the work force, subsidise inefficient and/or exploitative employers, like Telstra, and remove any reason for employers to genuinely negotiate with unions.

Item 12 of the bill inserts a requirement for the commission to terminate a bargaining period if a union has engaged, or is engaging, in pattern bargaining. Item 6 inserts a definition of pattern bargaining, which is largely
based on that proposed by the AIG to the Senate committee in relation to the 1999 bill. It was clear last year that virtually no employer group supported the government’s proposed definition, essentially a negative one attempting to say what pattern bargaining is not. Proposed section 170LG is more restrictive than the AIG proposal in that it includes in the definition common claims made on employers who are related as defined in the Corporations Law, whereas AIG made it clear that it supports the ability for bargaining to occur across a number of related corporations.

The definition also applies to common claims on employers in respect of employees employed on a single site, although there was strong support from employer organisations for site or project agreements covering employees or contractors and subcontractors. The definition includes the presumption that campaigning for common claims is contrary to the objective of encouraging agreements to be genuinely negotiated between parties at the workplace or enterprise level, whereas in the AIG proposal there was no such presumption or onus. The bill is designed to prevent pattern bargaining, but only by trade unions. Employers and their organisations will still have that ability. This highlights the bias and totally partisan way that this minister and this government practise industrial relations. They should be condemned for it.

Mr SECKER (Barker) (10.45 a.m.)—Is it not interesting that we have one Labor member after another trotting into this chamber and speaking on the Workplace Relations Amendment Bill 2000. They must have their union controlled preselections coming up because they are here trying to support their union mates. I rise today to speak on the Workplace Relations Amendment Bill 2000. The background of this bill dates back to the Workplace Relations Legislation Amendment (More Jobs Better Pay) Bill 1999 which, unfortunately, has been blocked by the Democrats and the ALP in the Senate. They jointly refuse to allow the government to live up to their 1998 election policy of more jobs and better pay.

What kind of parliament do we have when opposition parties deny the Australian public their own desires? The Howard government was democratically elected on the basis of the platform that they espoused during the election campaign. Australian voters elected the government on the basis that it would provide, amongst other things, more jobs and better pay. So what gives the ALP and the Democrats the right to prevent the government delivering? Who knows, maybe they have been speaking to George Speight, the Fijian coup leader—and we all know how much he cares about democratically elected governments.

Central to the 1999 bill was concern about pattern bargaining. Unions try to seek common terms and conditions across an industry or a number of employers and then try to legitimise industrial action in pursuit of such claims by relying on the statutory protected action provision. They do this to try to undermine the reliance on enterprise bargaining and workplace bargaining. I find that particularly amazing as it was the opposition which first introduced this system of enterprise bargaining in the early 1990s.

The proposed Workplace Relations Amendment Bill 2000 will provide that pattern bargaining is to be a basis upon which the Australian Industrial Relations Commission can terminate a bargaining period. Once this bargaining period is terminated, industrial action in pursuit of such claims will be unlawful. You may ask why pattern bargaining is such a bad thing. It is because it is highly inconsistent with the objective of enterprise bargaining, which, as I mentioned previously, was something that the Labor government of the early 1990s initiated. Pattern bargaining undermines an employer’s ability to be free to determine the arrangements which best suit their needs. It also robs employees of the same right. Pattern bargaining is a union ploy to maintain control of certain industries and build their power base, which has been dwindling to a dribble of irrelevance to most workers anyway.

Unions will oppose this amendment for the very reason just mentioned. It will reduce their power to have total control. Contrary to claims made by various union officials, this bill is necessary and is actually in response to current or impending industrial action. Such
action can cripple the economy and if the unions were left to their own devices they would use this very leverage to the benefit of their union bosses. The unions do not care about the little old lady down the road who cannot afford to survive or the sole parent who is trying to provide for their children. As long as they are lining their pockets with ill-gotten gains, the rest of the world does not matter.

The unions are posing serious threats to enterprise agreements and are currently targeting the manufacturing industry. However, these threats are not confined to the manufacturing industry and if not nipped in the bud will flow out to other industry sectors where militant union officials will try, once again, to control wage and condition outcomes from a centralised position. In Victoria, union claims involve more than just seeking an industry-wide pattern agreement and the reduction in dependence on enterprise bargaining. These particular claims seek to provide their members with a six per cent increase in wages per year, that is, more than twice the CPI, seek a GST inflator—which is not necessary with the huge tax cuts that the employees will receive—seek casuals to be made permanent, seek prohibitions on redundancy. They even want employers to seek union consent before hiring contractors. I could go on. The list of union claims is as long as a Mark Ricciuto kick.

This kind of unreasonable claim is unacceptable. The adverse effects of not only these kinds of claims but also the actual monetary cost and the cost to employee conditions if employers were made to meet these claims are costing Australian workers in every sector, not just workers in the industry in which the unions are staking claims. In fact, there is already emerging evidence that the Victorian economy is being adversely affected by industrial action since the appointment of the Bracks Labor government just seven months ago.

The pattern bargaining claims being faced by the Victorian manufacturing industry are of further concern when you consider the possibility of copycat pattern bargaining claims. This is scary. Where will it stop? If those opposite have their way, it will not. It is up to this government to bring the unions back down to ground level. It is time for us to remind them that we are running this country and they cannot use their bully tactics on this coalition government.

The pattern bargaining amendment seeks to provide the Australian Industrial Relations Commission, which can be seen as an independent umpire, with a central role in determining the lawfulness or otherwise of industrial action. There are two main goals that underpin these reforms. The first is to ensure that the industrial relations system of our country does not diminish our citizens’ standard of living. We want a system which sustains or enhances our current standard of living. The industrial relations system must also not be detrimental to our jobs, our productivity as a country and our international competitiveness. Let me assure you that, left to their own devices, the unions, and the Labor Party, who pander to the union bosses for their internal political reasons, would not care about the consequences of their actions. They would cripple the country. Their shortsightedness cost this country dearly during the 13 years that the ALP were in government.

The second goal of these amendments is to promote a more inclusive and cooperative workplace system, one that accepts the realities of a diverse, mobile and skilled workforce, one that accepts the notion that even in the same industries different employers have certain unique requirements, one that accepts that most employers and employees are capable of making agreements on wages, conditions and work and family responsibilities, subject to a safety net of minimum standards. Unfortunately, this government has been left to do the hard yards and clean up the mess we inherited from the previous Labor government. Their tentative steps towards industrial relations reform proved that they knew that the enterprise bargaining system was a structural reform in the national interest.

So once again we need to ask this question: why are they so opposed to amendments which will uphold their initial attempt to reform the industrial relations system? At the time that the ALP introduced their reforms they publicly recognised that widespread in-
Industrial action would not be in the public interest. Their legislation was based on that premise. Once again, it begs the question: why oppose the bill, which seeks to preserve the national interest? It makes no sense. The only suggestion I can offer is that the ALP have once again folded to the dictatorship of militant union leaders for their own internal political reasons and are now going down a regressive path in workplace relations. What do the ALP think? Are the Australian voters really going to want a government that will ask how high when the union leaders tell them to jump? I don’t think so.

What of the unions? Why are they opposing the very changes they espoused nearly a decade ago? They are in the process of a major policy reversal. Unions supported enterprise bargaining when Labor was in office. However, now that we have a coalition government, the ACTU is supporting the militant unions, who are hell-bent on pattern bargaining. This major policy reversal shows Australians and should show union members how desperate the unions are to have control over their respective work forces. And they wonder why union membership has significantly decreased in recent years.

The coalition government, on the other hand, is concerned about these individuals and their workplace rights. The five things that the Workplace Relations Amendment Bill 2000 will do prove this point. One of the aims of this bill is to qualify access to the right to take protected industrial action. So where, on application by a negotiating party, the Australian Industrial Relations Commission finds that a party is engaging in pattern bargaining, it must terminate the bargaining period and any industrial action becomes unprotected at law.

The bill also aims to enhance the effectiveness of the Australian Industrial Relations Commission’s power to issue orders that unlawful industrial action cease or not occur. It gives the Australian Industrial Relations Commission a power to order cooling-off periods with respect to protected industrial action where this will assist the resolution of matters in the dispute and it will also protect existing rights to pursue common-law remedies in response to unlawful industrial action in supreme courts without additional litigation in the form of anti-suit injunctions being sought from or issued by the Federal Court.

This bill also enhances the role of the Australian Industrial Relations Commission. It provides an important determinative role to the AIRC so that they can act as an independent umpire. This confirms that the coalition government does support a defined role for the AIRC, contrary to what the ALP would have you believe. With these powers and other relevant amendments of this act, the commission will have the power not only to order a stop to industrial action or prevent it from occurring, if the commission considers the action to be detrimental to the national interest, but to order unprotected industrial action to cease, at least on an interim basis, within 48 hours of the orders being sought. This provision allows the commission to protect the national interest and proves that the coalition, unlike members opposite, is committed to protecting the national interest.

This government will not fold to union chiefs, whose prime objective is the benefit of a small group at the expense of all others. Do not be confused when I talk about unions benefiting a small group. I do not mean your average union member. The unfortunate thing about all of this is that these are the people who are most often forgotten, particularly by the ALP and the union leaders. It is really important to note that this bill, the Workplace Relations Amendment Bill 2000, does not seek to make pattern bargaining illegal. The bill only seeks to discourage unions from engaging in pattern bargaining by preventing unions from relying on the protected provisions in relation to industrial action.

It is important that we as a government seek to uphold the enterprise bargaining system as we currently know it and, if allowed by those in opposition, to improve it. This system has provided better wages, relevant conditions, higher productivity, more jobs, increased competitiveness, greater workplace participation and lower dispute levels. Why would we want to risk all those benefits that enterprise bargaining has produced — benefits to the employee, the employer, and the national interest? Why continue to allow the
unions to undermine the benefits of this system? We may as well go back to the days of compulsory unionism. Who knows? If Mr Beazley continues to walk down this historical path and if he can manage to win government, we may.

In conclusion, I say: come on Mr Beazley, you were the employment minister in 1993. You knew then and you know now that this amendment is right for industrial relations in Australia. Stop politicking and get on with legislating. Give the Australian people their due. Show them some respect. They voted for this amendment. Give it to them.

Mr McCLELLAND (Barton) (11.00 a.m.)—It is somewhat distressing to hear the tone of the speeches of those opposite on the Workplace Relations Amendment Bill 2000. It demonstrates an unbalanced view, a point of paranoia suggesting fixation if not illness to hear their condemnation of trade unions. The facts of the matter are that trade unions in this country have been significant, indeed vital, to a vast array of social improvements that are fundamental to the way of life of Australian citizens today. It is quite wrong to continue these divisions in the community, which are so much a part of this government’s thinking, rather than bringing Australians together. In my practice as a lawyer before entering parliament I did quite a bit of industrial work and I can tell you there were fundamentally decent people on both sides of the industrial relations equation. Indeed, I catch up frequently with opponents who were either employer advocates or lawyers appearing primarily for employers. It was a good relationship. We achieved in many, many instances extremely productive outcomes. When I say ‘we’ I am talking about the lawyers for both sides as well as the industrial representatives of both sides. More often than not suggestions for advances in production techniques, restructuring of awards and restructuring of workplaces came from the employee side of the equation particularly as a result of the culture that had developed during the Labor period of government. Through that whole period of the eighties and the nineties in order to achieve an increase in wages there had to be some form of productivity or efficiency trade-offs, so that became the means of analysing and advancing progress in workplace relations.

If one analyses what this government has done, we see it is departing entirely from what the culture has been in this country. It is a culture, I would suggest, that is fundamental to Australians holding themselves up with pride as saying that Australians are for a fair go. The reason I say that is that industrial relations has very much been based on rational argument presented before an impartial umpire; that is, the Australian Industrial Relations Commission. If you consider the alternative to an impartial umpire, what are you considering? You are considering the law of the jungle where those who are able to exercise might—either because of their numbers on the employee side of the equation represented by trade unions or, on the other side, because of their economic might; that is, their ability to either employ or not employ people—win at the end of the day not on the basis of the rationale of their argument and the reasons that they advance behind it. That is where industrial relations has regrettably shifted to in the short space of four years. I note, for instance, that in 1955 Harold Holt, the then Minister for Labour and National Service, said this:

Are the Arbitration Tribunals that we have established to preserve industrial peace in this country to be empty shams? Are we back in the days of the law of the jungle when force prevailed? Is the might of a great industrial union or of a great employers’ organisation to prevail against the interests of the community? ... surely in these days ... that conception is too absurd for expression in this Parliament. The public has a right to be protected against industrial aggression, whether it comes from employers or from organisations of employees, and to look to this Parliament and the Government of the day for that protection.

I say, ‘Hear, hear,’ to those words, and they are from the late Harold Holt. This government has departed from what has been a bipartisan approach to a rational industrial relations framework to enforce this divisive, scapegoating mentality which is dividing worker from employer rather than bringing them together. To appreciate the significance of these legislative amendments, it is necessary to appreciate what the government has done to date. Firstly, it has stripped back—gutted—industrial awards to 20 core
tted—industrial awards to 20 core conditions. I noted with some amusement the Minister for Employment, Workplace Relations and Small Business, Mr Reith, holding himself out as the workers’ friend, saying he is protecting their employment entitlements. The fact of the matter is that he has gutted termination entitlements from awards because of the fact that the commission can no longer compel employers to even consult with workers before they sack them, nor can the commission include in an award provision for severance payment. He has gutted those entitlements and yet he is hypocritically saying he is protecting them. You are looking at a situation where awards have been stripped back—gutted—to 20 core conditions and wages can only be at a bare minimum safety net level, so you then say, ‘Look, how can those be restored?’ There is only one way forward, because the commission can no longer arbitrate in these circumstances, other than in exceptional circumstances where the government has indeed opposed the commission arbitrating. But for all intents and purposes the commission has lost its power of arbitration; it has lost its power to direct the parties to negotiate in good faith. So workers, not only to advance their positions but to recover that which has been stripped away, are compelled to undertake direct industrial action. This is ‘the law of the jungle’, to use the words of the late Harold Holt.

So this is what this bill is directed at: impeding further the ability of unions, workers and their representatives through their unions to advance their interests. The way it is doing that is to compel the commission after 48 hours—with respect to the application of section 127 no-strike orders—to issue a no-strike order if the proceedings have not been resolved. That compulsion on the commission, firstly, removes the traditional onus of proof that would normally be cast on the applicant, if it was an employer, for instance, seeking the no-strike order; it reverses the onus of proof because unions must prove that not to make the order after 48 hours would not be in the public interest. Secondly, that compulsion removes from the equation the balance of convenience test, because the test before any court or tribunal gives injunctive relief has been one of weighing up the balance of convenience—that is, the merits of the argument and the benefit or detriment which is going to be suffered by each side.

As has been pointed out—and I can tell you from my experience—the mere fact of granting an interim injunction after 48 hours is effectively a final relief because, if there is industrial action taking place, once that industrial action is removed the effect of the strike action will effectively be broken because supply chains and distribution chains will be once again opened up, relieving the pressure on the employer. I am not saying it is a good thing for parties to be in a position where they have to advance these sorts of tactics and I am certainly not endorsing that which is occurring more and more these days where employers are engaging in lockouts. But the fact of the matter is that direct industrial action is the only playing field available because of this government’s gutting of the powers of the Australian Industrial Relations Commission.

The other significant area that members have spoken of is in respect of outlawing of pattern bargaining. It is difficult to consider any dispute that could be dealt with other than at a local level. One regarding the portability of benefits may be the only exception. So effectively in just about all enterprise negotiation situations we are going to see employers trying to make the action unlawful by relying on the pattern bargaining provisions of this bill, if it is passed.

The final thing I will say is that the attempt to impede the jurisdiction of the Federal Court to protect its own deliberations is an outrage. I would like to see the Law Council and the law societies around Australia coming in on this, because it has been a principle since the chancery courts that any superior court can protect its own jurisdiction and indeed protect the litigant before it, of whatever persuasion, from an abuse of process or an unwarranted duplication of proceedings, in any other tribunal. So for the Attorney-General to stand aside and let that occur in this bill is an indictment of him. My time is limited today. These are fundamentally important industrial issues but also fundamentally important social issues. I am sick of the division that this minister is creating
for his own personal ambitions. I am disgusted, quite frankly, at the lack of leadership that those opposite are showing as the government of this nation.

Mr BARRESI (Deakin) (11.11 a.m.)—The amendment in the Workplace Relations Amendment Bill 2000 dealing with pattern bargaining is being introduced today partly as a response to the increasing levels of industrial action now evident in Victoria since the Bracks government came to office. We have seen more industrial action over the past seven months under the Bracks government than we have for years. The honourable member for Barton’s comments that this is purely to satisfy the ego of the minister for industrial relations or the comments of one of the previous speakers—I think it was the member for Griffith—that there is a power play between the Treasurer and the minister for industrial relations are purely and utterly wrong. The fact that both ministers have had the guts to take on major reform in this nation—whether it be at the industrial level or in the finance and taxation areas of this country—is a credit to both of those ministers. It shows that these reforms are long overdue, and the vacuum that was created through the abdication of responsibility for these reforms by the previous government will forever be an indictment of the Australian Labor Party.

Victorians could have been forgiven for thinking that the dark days of tram disputes and union thuggery were over. But, in just a few short months of Labor rule—seven months—industrial action has already returned to being commonplace. The unions have taken control, both in the streets and in the halls of political power—and that is nowhere more evident than in the Victorian parliament and now here through Labor members in the national parliament. We have already had a labour dispute at the Yallourn power station. As a result Victorians went without electricity during a heatwave. We have seen a labour dispute at Docklands. As a result, the proposed Mirvac Docklands project has been placed at risk, with Victoria potentially missing out on millions of investment dollars. The problems at Colonial Stadium almost caused international embarrass-
number of enterprises. Genuine negotiation between management, the work force and their representatives would be far better, because it means that outcomes are based on local circumstances and mutual interests. The unions still have a vital role to play in this process at the local level, and I look forward to their positive participation.

It is also important for us to understand the backdrop to a lot of what is going on in Australia at the moment in terms of competition and industrial progress. We have moved into a globalised marketplace. The global village has now emerged, and the 'one size fits all' principle that is central to the union movement is no longer relevant. Employers have different needs and confront different competitive pressures, and workplaces have varying degrees of technological-labour mix. Employees have different needs, as they attempt to combine the changing nature of their work with their ever-conscious need to balance their family responsibilities. It is much easier to accommodate the needs of employees and employers on a case-by-case basis than it is to cover every possible scenario.

It seems that the only people who disagree with this are the unions themselves. So, in an attempt for unions to make themselves relevant and to hold on the last vestiges of central control, they have found a loophole through pattern bargaining. Pattern bargaining occurs when unions demand common outcomes across a whole group of employers or a whole industry, rather than genuine enterprise bargaining. As if trying to stop employers independently negotiating with their employees is not bad enough, the unions are now using the statutory protected action provisions to legitimise any industrial action they take. The practice of pattern bargaining is particularly prevalent in the manufacturing industry. This concerns me because this is an industry where job security and business welfare are closely aligned to international competitiveness. We should not be restricting this in any way.

Union leaders, however, do not see it this way and have acted consistently to keep as much influence as possible—even when this means breaking the law. In November last year, the Australian Manufacturing Workers Union and the Electrical Trades Union called a massive stop-work meeting to discuss Campaign 2000—a campaign—to which the Bracks government want to conveniently turn a blind eye. Only to after being harangued in the press have they made noises of concern regarding Campaign 2000. It is a union plan to fight for better wages and conditions for factory workers, beginning on 1 July—a fight which will create industrial unrest and uncertainty for manufacturers in my electorate. This campaign may not seem like such a bad thing, but it was not just about securing the best deal for workers. Campaign 2000 will allow unions to take this industrial action in support of broader claims than those sought at an enterprise level.

I have spoken to members in the building industry and the property development field. Accusations are made that one large property developer has already signed up, and we have a second one and therefore the rest will follow. A lot of these companies are saying to me, 'This is a political problem. We are not going to fight it. If the unions come to us through pattern bargaining and there is no recourse that we have, we will just fold over. As far as we are concerned, we will just build that into our costs. If the union’s demand is for a 10 or 15 per cent increase, we will build that into our costs. If it gets too uncompetitive for us, we will move interstate.' That is their response. They have that luxury, but manufacturing does not have that luxury. Their only move is to close their doors or move their operations overseas—which is what many of them are threatening to do. So this bill acts to try to protect those very enterprises, in giving them a voice against the belligerence of the union.

Campaign 2000 will create unrest. We had the courts rule that, at the time when the industrial action took place in November, the stop-work action was unlawful and infringed upon the rights of the employer group. But the union’s unlawful action went ahead anyway. It caused massive disruption to the Australian Industry Group, who then decided to bring a contempt of court action against the Electrical Trades Union state secretary, Dean Mighell, and the Australian Manufacturing Union assistant state secretary, Craig
Johnston. The case against them was so strong that they were fined $20,000 each. Mr Mighell tried to justify his actions by saying he should be able to gather with workers. It was a nice try, but it is high time that unions realised that they are not a law unto themselves. In handing down his ruling, Justice Ron Merkel said:

Unions cannot assume they can apply for a court order to protect their rights when it suits them, but then ignore court orders which protect the rights of other parties to the dispute simply because compliance with such orders is seen to be adverse to their situation.

I have very limited time. All I can say is that court action took place in order to protect the employers but the unions thumbed their nose at it. In an era of international competitiveness, we cannot afford to have a centrally controlled enterprise bargaining system. It has not worked in most other nations and it will not work here. The legislation before the House is trying to close this loophole. It will ensure that the true spirit of enterprise bargaining is upheld, and should be passed by all members in this chamber.

Mrs CROSIO (Prospect) (11.22 a.m.)—I rise in the debate today to speak against the most outrageous piece of legislation that has been put into this parliament for quite some time. It really is a most spiteful piece of legislation. The bill itself, the Workplace Relations Amendment Bill 2000 does not just seek to define pattern bargaining; more than that, it seeks termination of the relevant bargaining period so that industrial action is no longer protected by law, thus making it illegal. The bill itself also strikes at the very heart of fairness and equity in the industrial relations system. It not only outlaws the action associated with pattern bargaining; it destroys the fundamental elements of organised labour. The legislation is unbalanced as it only outlaws pattern bargaining use by unions. While claims for better wages and conditions or entitlements will only be made by unions, employers will be able to continue to apply exactly the same tactics that they have used on numerous occasions. Under this legislation before the House, employer groups will continue to use pattern bargaining by another name. They will just sit down and consult with one another—they can call it whatever they like—and set wages and conditions across an entire industry. It may even be more productive, cheaper and more efficient for them to do so, but why aren’t they being outlawed by this legislation?

Just imagine where Australia would be if this legislation outlawing pattern bargaining had been enacted, say, 50 years ago. We would still have unequal pay for men and women. My first job was with the Commonwealth Bank—now all they worry about is takeovers or closing down branches—where I was told, firstly, that if I got married I no longer had a job and, secondly, even though I was doing the same work as my male colleague next to me, I would get only half the wages. So it is not 100 years ago or 50 years ago; it is within my working life. I am still working now, but I vividly remember that very first job. Look at the changes that have occurred over these last few decades and the equality that men and women have, even though women still have a fair way to go. Without pattern bargaining we would not have maternity leave, we would not have workers compensation. In fact, many of the greatest reforms this country has achieved in the industrial relations area have been achieved through pattern bargaining—which the minister wants to outlaw in this bill before the House. It is a fundamental part of the industrial relations landscape. Australia once took a leading role in industrial relations on the world stage.

The minister has not considered that many employers prefer to deal with pattern bargaining as it can be a very speedy resolution to industrial conflict rather than the employer having to negotiate every individual employee’s terms and conditions. It can at times be a very effective means of resolving conflict. Members, especially on the government side, will claim that pattern bargaining hinders the individual enterprise bargaining system that currently is in place—in other words, those disgusting Australian workplace agreements, AWAs—and which leads to productivity across a wide range of industries. The minister quotes all sorts of figures to back his argument, but he does not realise
that many of our Australian workplace agreements were achieved through collective bargaining or, as the minister wants to call it, pattern bargaining. It has happened. It is happening. This is what we really are debating here today.

The minister talks about the Labor Party in their objection to this bill as being stuck in the dark ages. However, it is not the Labor Party which wants to punish the union representatives. It is the minister and this government who seem hell-bent on making sure unions—that dreadful word—pay. What they forget is that unions are people; it is the people that are the unions and the unions that are the people. And yet the government want to make sure that the unions pay for engaging in collective bargaining and organised stop-work meetings. This legislation, when you read it from front to back, could be straight out of the 18th century. It is regressive. When one looks at the success of the labour movement and its achievements in the past, one can see that this legislation certainly will not be progressive over the same period of time. As I said, it is regressive. There is no other advanced country with which Australia could be compared which prohibits industry wide or multiemployer or employee bargaining, and yet the minister is running around Australia saying that we, the Labor Party, are stuck in the Dark Ages.

This government clearly has placed Australia in breach of its international obligations in the International Labour Organisation conventions to which we are a signatory. Twice before the panel of experts have concluded that this government have failed to meet their international obligations, and this bill will not be an exception to that trend. Instead of the government realising that they have a problem in relation to international industrial reform, they just criticise, attack and downgrade the ILO to the point where they now have withdrawn Australia’s name from the convention. It will not be an effective cure.

This is a divisive piece of legislation—the result, I believe, of this minister’s obsession with stamping out any involvement at all with employee groups and unions in the industrial relations negotiations. We saw the attempt in the minister’s second wave legislation—that dreadful Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill, which fortunately was defeated—and now we see his desperate attempt to rush through this piece of legislation, which is supposed to be the new wave, the third wave. This is an example of the bitter hate of the union movement—and really of the working labourers’ rights—and of organised labour, and it dates back to the dark ages. The bill will install—if it were to go through—the master-slave relationship. Where are we heading in industrial relations?

Tucked away also in this legislation is another attempt to emasculate the Federal Court in these matters. This government has not shied away in the past from attacking the Federal Court in industrial relations. We have only to look at what happened in the Patrick’s waterfront debacle to see what the government feels about the Federal Court. The whole picture of industrial relations that
this government wants to paint for Australians must not be the balaclavas and the guard dogs; it must be about job security, it must be about fair industrial relations, it must be about the right of workers to collectively bargain, if that is their choice and, more importantly, it must be about the right of the unions to talk on behalf of the employees, if the employees so choose to belong to a union.

We on this side of the House believe in having a very fair and equitable independent umpire to decide industrial relations conflicts, and we on this side of the House certainly believe that we must in the industrial relations field provide a level playing field. How can there be a level playing field when the government is making a demand of the Australian Industrial Relations Commission and saying to them, ‘You are supposed to be the independent umpire, but don’t forget we are telling you in this bill if you have got a problem you listen only to the employer’?

This legislation destroys all notions of what we on this side of the House believe is fair and equitable. All parties should have as part of their platform the notion of fairness and the notion of equality, and the notion of having that brought before the law. When this government says it wants to cooperate with the unions, the employers and every other part of the industrial relations landscape, then and only then will we have a fair and equitable system in which the government, the unions and the employers can work together on a fair playing ground and where the umpire—the Australian Industrial Relations Commission—is dedicated to listen to not only one side but both sides of the argument. I condemn the government for putting this bill before the House.

Ms MACKLIN (Jagajaga) (11.32 a.m.)—The Workplace Relations Amendment Bill 2000 is another example of the unfair industrial relations legislation which we have come to expect from this government. Pattern bargaining has been—and I hope will continue to be—an important mechanism for workers to achieve gains across industries or work forces. I particularly want to focus my brief remarks today on the important social advances that have been achieved as a result of pattern bargaining. Social advances such as maternity leave, family leave, sick leave, annual leave, superannuation and equal pay were all achieved through a process that involved pattern bargaining. By outlawing employee pattern bargaining this bill blocks off the central route that workers—and particularly women workers—have used to achieve improved working conditions. The opposition strongly opposes this bill. This legislation would lead to greater inequity and insecurity in the work force, encourage exploitative employers and remove any reason for employers to genuinely negotiate with unions. The impact of these laws should not be underestimated.

I just want to focus my remarks on the impact the laws will particularly have on the health sector and the capacity of workers to achieve a better balance between their work and family responsibilities. Pattern bargaining delivers positive results in the health sector. Consistent industry-wide outcomes are beneficial for both employers and employees. Competition which produces variations in salaries and conditions across the sector serves only to undermine the services provided. It is not in anyone’s interests—state governments, hospitals, aged care facilities, community health services or health professionals—for wages and employment conditions to be negotiated place by place. The disruption and discord would be unbearable for those who deliver these essential services and, therefore, for patients. The current system of pattern bargaining ensures that health workers are not encouraged to leapfrog between areas, chasing better pay and conditions.

The benefits of an industry-wide approach are clearly evident at times when there is a critical shortage of a particular professional group, and this is the case right now with nurses. The proposed law totally negates the fact that nurses have a common claim wherever they may be employed, and maintaining such a system is in the public interest. It is also the case that insisting that individual nurses have to bargain separately with their specific employers will introduce a ridiculous level of complexity. We are going to see this particularly where we have most health and community services reliant on public sector
funding. Public hospitals and community services are directly funded or regulated by the Commonwealth or state governments. A significant proportion of the private sector—particularly in aged care and disability services—is also dependent on state or federal funding. There is little room for individual variations.

I just want to finish by emphasising how employee pattern bargaining has been a force for equality in our industrial relations system. Those with less industrial muscle have in the past benefited from the flow-on of improved conditions gained by stronger and better organised workers. Most test cases argue for new standards that have been first established through industry-wide or enterprise based bargaining. We have just seen the vehicle industry union secure paid maternity leave in many of their enterprise agreements. These examples demonstrate the benefits of pattern bargaining for both employers and employees. These industries are setting a new standard and demonstrating to other sectors that these entitlements are beneficial for both employees and employers.

I just want to emphasise again that parental leave, superannuation, redundancy pay, training, skill recognition and family leave were all initiated by industry campaigns which resulted in a number of enterprise based agreements later adopted by the commission for the award system, in whole or in part. By effectively outlawing pattern bargaining these proposed laws are a giant step back for the campaign for more family friendly workplaces. The legislation promotes the lowest common denominator. It will cause unnecessary confusion in the health sector and impede the capacity of workers to campaign for more family friendly workplaces.

Mr BEAZLEY (Brand—Leader of the Opposition) (11.37 a.m.)—There is one thing that Australians like above all else about their society and the way they want to characterise it, and that is the notion of a fair go and fairness: that we live in an egalitarian society where everybody has opportunity and where people can earn enough to keep their families in circumstances in which their family life is rendered whole by hours that are satisfactory to them—hours that mean they have an opportunity to link with and nurture their families and ensure that, when they are with their families, the things that they basically need in life they can have. There is no assumption on the part of the ordinary Australian that this automatically flows from a condition of society. The assumption of the ordinary Australian is that the institutions of society will ensure that those circumstances prevail and that, right through society, at all levels of our activity, they will always see fairness being produced by a decent umpire, by the attitude of government and by institutions which incorporate within themselves that notion of fairness.

And at the very heart of that notion of fairness, as far as the world of work is concerned, have lain two things. The first is a government, in its language, contact and attitude, that is concerned with what is an inherently unfair situation in any bargaining relationship in the workplace—that is, the position of the individual employee versus the situation of the employer—whose attitudes will not somehow militate against that situation and that will not weigh in the balance against the ordinary Australian. The second attribute of the institutions that they see producing this fairness is the existence of an independent umpire, unfettered in its capacity to involve itself early in disputes—disputes that do not simply go to the heart of whether or not the national economy is going to survive—in a fashion that is sympathetic to all parties to a particular dispute and capable of both conciliating and arbitrating—a single body to access and access affordably.

In 1992, when he was industrial relations spokesperson for the Liberal Party, John Howard said something about that independent umpire. When it was suggested to him by a journalist that the aim of the then opposition on coming into government would be to stab the commission in the back, John Howard’s response was: ‘We will stab it in the stomach.’ Two things flow from that: firstly, it characterises the attitude of this government to fairness and the role of an independent umpire; secondly, its rhetoric represents a level of violence associated with industrial relations, violence that has been replicated by
this government both in the acts it has put in place and in its actions associated with those acts, which, oddly enough, are often in breach of the acts it put in place itself. I might say that one of the impacts of this particular legislation if it goes through will be to heighten the possibilities of forum shopping for those who want to destroy those who cannot afford legal action. One of the purposes of it is to shift more industrial relations matters into state courts—as its purpose was originally to shift them out of the AIRC into the Federal Court. The current state of workplace relations under Reith’s regime was described by a Victorian Supreme Court judge as ‘ritualised mayhem in which only the innocent are slaughtered’.

The intentions of Reith and the government in this bill are plain and simple enough to see—plain and simple enough if you know the codes and if you know how to read the words. I said at an occasion last night that, years ago in the Labor Party, we always used to worry that, in the internal debate in Australia, we would have to carry the reputation and activities of Joe Stalin when he was head of the politburo in the Soviet Union. In what has been a fairly lengthy political career for me, going back to before I actually became a member of parliament, it is a surprise that the only element of Stalinism left in Australian society is located in the use of language by the Prime Minister and the Minister for Employment, Workplace Relations and Small Business when it comes to the area of industrial relations. ‘Better Jobs, More Pay’—that was his last failed attempt to bring forward a piece of industrial relations. ‘Less Pay, Fewer Jobs’ would be a more appropriate designation for it. And in this he says he is enhancing the capacity of an independent umpire to intervene; in fact, he is circumscribing it dramatically. He says he is being fair to all, creating the possibility of independent arbiters in relation to, in this particular case, pattern bargaining when in his own bill he says that what will activate the commission and determine whether or not the commission can give consideration to these matters and govern any other part of the legal process which is dragged into a dispute in industrial relations is to seek from the employer their view—not from the employer and the employees—as to whether or not they wish pattern bargaining to take place.

Lest it be thought that we have only negative thoughts about the industrial relations system under this government, let me lay down some guidelines which will impact upon the operation of a Labor government when we take this act and shake it about in the legislative process when we come into office. Our objectives in this bill are: to incorporate as objects of the act what we see as the basic elements of a cooperative, productive, peaceful and just system; to restore the role and power of the AIRC, the independent umpire, to keep the peace; and to protect fairness and look after the public interest in the workplace. In pursuit of the first objective, we will move that the legislation governing industrial relations should promote the economic prosperity and welfare of Australians in these major ways: encourage high employment, higher living standards, better pay and competitiveness through a fair and flexible labour market; free employers and employees so that they can choose the agreements they want; enable pay and conditions to be determined by agreement at the enterprise level on a foundation of minimum standards; provide a set of rights and responsibilities for employers, employees and their organisations; and protect true freedom of association through a system of rights by employers and employees to join organisations or not as they choose, maintaining their rights to organise and bargain collectively.

For years and years there was an argument directed at us that we were supportive of a closed shop. Because of our view that collective bargaining was necessary to ensure the proper protection of the conditions of ordinary Australian workers, the accusation was always directed at us that we were going for a closed shop. An argument against that was presented in terms of freedom of association. You do not hear freedom of association rhetoric from our opponents any longer because the principal threat to freedom of association is this government. Their actions and their laws are a threat to freedom of association.

If you cast your minds back to the infamous MUA dispute not so long ago and look
at the plethora of information that is now out in the public domain about the conspiracy of Howard and others to defeat the clauses in their own act—which said that workers have the right to choose whether or not to be in a union—you will see the efforts they made to ensure that there was no outcome from that which saw anyone a member of that particular union, the MUA. No-one was to be a member of the MUA—that was their objective in that particular campaign. Well do I recollect a particular port which was performing way above the average in crane rates and which was performing with industrial peace, but all the workers in that port were selected for sacking. It was in Tasmania, but there were others. One was in South Australia, and the others are in Tasmania. When asked why the workers ought to be sacked, they said, ‘They should be sacked because they are members of the MUA.’ This was freedom of association allegedly protected by them when they were there to do their dastardly best. Ultimately, they utterly failed in their efforts to destroy the ordinary Australian sense of a fair go and to undermine what is one of the underpinnings of democracy.

Freedom of association is about much more than simply industrial relations. Anyone wishing to establish a dictatorship out of a democracy starts first with the trade unions, where people organise themselves at their most basic level of existence—that is, in the workplace. That is where they seek fairness above all—even more than through the ballot box—fairness to earn a living that will support them and their families. Whenever you want to establish a dictatorship, go for the trade unions. Even the other day, as I was trying to find out what was happening in Fiji and I was picking up some information out of sources there, it was revealed to me that one of the first places raided in the context of establishing martial law was the home of the secretary of a Fijian trade union movement. Nothing much happened as a result of it, I am told, but it is an automatic assumption that when you are denying people’s constitutional rights you rock into the headquarters of the trade union movement or the trade union secretary straight off the mark.

Mr Reith is out in press conferences at the moment suggesting to me that the Labor Party is not being independent minded in the development of industrial relations policy unless we pass one litmus test. What is that litmus test? It is that we agree with the AWA system that he has put in place. Remember that system that was by now supposed to have something like 10 per cent of the workplace signed up to it? Ten per cent of the workplace was to be signed up to the federal AWA system. In fact, it is less than one per cent. Mr Reith is suggesting that, unless we devote ourselves to his failed but nevertheless dangerous set of industrial relations propositions that underpin those AWAs, somehow or other the Labor Party is not independent. He is suggesting that, unless we walk away from what we have campaigned on in the last two elections, walk away from what has been our party policy since 1996 and before 1996 and join him in oppressing ordinary Australian workers with a cumbersome and unfair system, somehow or other we are not demonstrating sufficient forward thinking and independent attitude in the industrial relations system. Sorry, Peter, we are not in the game.

We are not going to support what the ACCI—normally such Reith loyalists—say. When asked, ‘Why aren’t you up to about 10 per cent in these things? Why aren’t you right in there like a hungry pack of animals to get them put in place?’ they found that this was a bit of a problem because significant resources are involved in trying to negotiate these things. They are onerous, convoluted, disturbing, bureaucratic and cumbersome—that is what the ACCI found out about them, and they are the people who are supposed to be the principal beneficiaries of the operation of this system.

Other people have other things to say. I will take another bunch of beneficiaries. The Australian Mines and Metals Association reported that members were complaining about procedural complexities and delays in registration approval. We have costed these things out. It actually costs you about $500 each to establish an AWA, taking into account the work hours involved in their handling. It is about $22 per individual for a
collectively arrived at agreement. In 1997, the National Institute of Labour Studies reported that 93.5 per cent of those who signed up to AWAs did so without being represented by a bargaining agent. They also found that individual employees felt restricted in their ability to consult unions. There is also a report from the Australian Centre for Industrial Relations Research and Training. If you actually do get through one of these AWAs, certain consequences flow and they found: non-union collective agreements provided for the lowest average annual wage increases of 3.1 per cent, followed by AWAs, which were 3.3 per cent, but in union agreements you achieved a 4.4 per cent outcome.

It is no wonder employees are not marching in serried ranks, unless they are obliged to, into the AWA system because, if they do, the inevitable consequence is that their wages and conditions will be suppressed. The theory underpinning these AWAs was this: a wonderful relationship was established between the employer and employee. This is where you got flexibility in hours. This is where you got something perfectly tailored to your own needs. There is less flexibility in the AWA imposed workplaces than under any other form of industrial arrangements in existence. In fact, an AWA is a collectively arrived at position imposed by one person. A sample as to what you will sign up to is put on your table, and either you sign up to it or you do not get the job. You do not sit there and negotiate work hours. You do not sit there and negotiate particular arrangements in the workplace. You accept exactly what the boss gives you or you get no job at all.

That is the system that we are supposed to worship. We are supposed to kneel before the altar of this genius. The funniest thing about it was this: he claims 100,000, but the probability that there are repeats involved in this is very high. The chance that it would be anywhere near 100,000 is somewhere between Buckley’s and none. At the 50,000, he thought that he would celebrate in a particular Sydney restaurant which had signed up their employees on AWAs. The news for him is this: they are not there anymore. So confused have the employers become with what was no doubt their personal experience of the significant resources—the onerous, convoluted, disturbing, bureaucratic and cumbersome nature of the process—that they rang the union up and arrived at a collective agreement. They are now rocking on quite happily, thank you very much, from the point at which he arrived.

We can laugh and joke about the AWAs, and there are about 100,000 of them. If you are going for an individual contract as the mechanism by which you are employed, the old common-law contracts, which we support the continuation of and which have existed for years and years in this country, are monumentally preferred by employers. Oddly enough—and this is speaking against ourselves a bit—when given a choice to do over the unions in the MUA dispute; did Corrigan go to sign up AWAs with the various people who came in as the scab labour force? No, he actually went for common-law contracts as far as that was concerned, but there is no flexibility in common-law contracts. I will tell you what is not in common-law contracts, and nor should there be, and not even under your legislation—that is, a capacity to undermine the safety net. There is not the capacity to do that. You cannot undermine the safety net as far as common-law contracts are concerned in your bill, and nor would you be able to do it in ours.

But, Sport, the reason why you hate common-law contracts but advocate the opportunities of AWAs is that you think there is a chance you may well be able to undermine the situation of the folk in the workplace with the use of AWAs in a way which you cannot with the arrangements that exist for other forms of individual contracts and other forms of bargaining. We support the continuation of common-law arrangements as part of flexibility in the work force, but our priority is the collective agreement. Our priority is the opportunity for ordinary Australian workers to bargain in safety. Our priority is for an independent Industrial Relations Commission with fully-fledged powers for arbitration and conciliation in any set of circumstances, not the circumscribed circumstances described in this bill or in the acts which it amends. The Minister for Employment, Workplace Relations and Small Business, who has come in here, clearly wants this to be a debate at the
next election. I can guarantee it, Sport. The country knows you. It knows your motives. It understands you. You have, you lucky fellow, the least credibility of any politician in this country. So, if you want to pull on a debate on this, my friend, any time—but any time will see you out, Sport. It will see you out, and this is going to be a fundamental difference between us over the next 18 months. (Time expired)

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (11.57 a.m.)—In closing the debate on the Workplace Relations Amendment Bill 2000, I want to thank all of the honourable members for the contribution that they have made.

Opposition members interjecting—

Mr REITH—When I think of the Leader of the Opposition, I think of Moses, the tame raven, in that great book Animal Farm. He was also a clever talker. He claimed to know of the existence of a mysterious country called Sugar Candy Mountain. In Sugar Candy Mountain it was Sunday seven days a week, clover was in season all the year round and lump sugar and linseed cake grew on the hedges. I welcome the declaration by the Leader of the Opposition that workplace relations will be an important issue in the next election. In fact, it was a declaration he made on behalf of the ACTU. Last night he issued the first shot in the next election campaign when he gave us a glimpse of the union policy which the Labor Party will take to the next election. It was as good as an election statement, written and authorised by the ACTU.

The Leader of the Opposition failed to say that, in 1992-93 and into 1994, the Labor Party adopted the concept of enterprise bargaining. It was their policy. Last night, in the speech that the Leader of the Opposition gave, he himself reaffirmed the success of enterprise bargaining. But the incredible thing is that, whilst he has reaffirmed the statement that Labor supports enterprise bargaining, the fact is today he will vote against a bill which has been designed to protect enterprise bargaining. The hypocrisy of this man knows no bounds.

The Labor Party supported enterprise bargaining. Enterprise bargaining is under threat, particularly in Victoria. Yet, rather than standing for enterprise bargaining, the Leader of the Opposition stands shoulder to shoulder with the likes of Craig Johnston, who has resolved to tear down a system which the Leader of the Opposition last night said has worked well and has worked in the interests of workers.

The second thing I want to say in summing up is that there has never been in this country a right to strike at an industry-wide level. When the Labor Party introduced enterprise bargaining, they said that workers would have the right—as would also employers—to take industrial action within a single enterprise. The Labor Party legislated to make it clear that you could not take industrial action on a multiemployer basis. You could not have had a clearer statement by the Labor Party that enterprise bargaining and the right to industrial action were focused on the needs of a particular enterprise. That was the right policy to adopt and we supported it. When we formed the Workplace Relations Act in 1996, we ourselves acknowledged that people should have a right to strike. It was quite a historic change in policy on our side of politics to acknowledge a right to strike but, like the Labor Party, that right to strike was limited to a single enterprise.

What we now find, particularly in Victoria but with the threat of it spreading outside of Victoria and into the transport sector and the like, is a pattern claim which attempts to manipulate the right to strike at the enterprise to give the unions a right to strike right across an industry. That is a genuine concern for everybody. It is why the Victorian government, in evidence to the Senate, said that they do not support pattern bargaining. The reason they do not support pattern bargaining—

Mr Bevis—You said on TV you did.

Mr REITH—They do not support pattern bargaining—

Mr Bevis—But you said you did.

Mr REITH—I am simply stating what the Victorian government said. That is a Labor government that is naturally enough concerned about the consequences of widespread
industrial action. The purpose of this bill, as
the interjection rightly points out, is not to
prevent people lodging, discussing or seeking
a pattern claim. This is a bill which gives
additional powers to the commission to pre-
vent industry-wide industrial action. Who in
their right mind thinks it is a good idea to
have industry-wide action of the sort that
Australia had back in the 1970s that de-
stroyed thousands of manufacturing jobs and
tarnished our international reputation as a
reliable supplier? Even in their private mo-
ments, I cannot believe that responsible
members of the Labor Party think it is a good
idea to let Craig Johnston and Dean Mighell
go on the rampage with industry-wide strikes
in Victoria from 1 July. It will be a disaster
for Victoria and a disaster for the manufac-
turing industry. If we do not succeed in
passing this legislation through the Senate,
every day there is industrial action we will
remind the Australian people that it is be-
because the Labor Party and the Leader of the
Opposition did not have the ticker to stand up
to industrial thuggery and therefore the loss
of jobs.

The Leader of the Opposition says one
thing and does another. Today and last night,
his he is in favour of enterprise bargain-
ing, but he will not stand up for it. He says
that he wants more powers for the commis-
sion, but he is going to vote against a bill
which does exactly that. He says that he is in
favour of workers, but he will not support a
scheme which provides workers with finan-
cial support in their hour of need when they
have been dudged by their employer and
have lost their entitlements. It says much
about the Labor Party that the Labor Party is
not prepared to match the Commonwealth
dollar for dollar to help workers, as we were
able to help workers in Scone this week. The
workers at Scone said to me that they cannot
understand why a federal coalition govern-
ment is prepared to support workers but the
Labor Party was not there; in fact the Labor
Party is publicly rejecting their claims when
these workers are in their greatest hour of
need.

This bill will protect enterprise bargain-
ing. Labor’s policy was to support enterprise bar-
gaining, but they cannot now support this
legislation. We found out last night that the
Leader of the Opposition is going to deny
300,000 workers—growing by 3,000 and
more a month—the right to determine the
sorts of arrangements they have at work.
What is that going to mean for those work-
ers? Less say over how they work and when
they work, and less say on having conditions
that suit their family responsibilities.

This is an important issue. The reality is
that this government has got a good record.
We have created 700,000 new jobs, and real
wages have been growing. When Labor were
in, they used to boast about the fact that they
had cut workers’ wages. Real wages under us
have been growing. Productivity is up. We
have had a level of industrial action in Aus-
tralia, on the latest ABS figures, where we
have had less than half the number of strikes
we had when Labor were in office. This is
important legislation. It is important for
maintaining a system that has worked well.
Sadly, it says much about the Labor Party
that, when the unions tell them to vote
against the workers’ interests, they are more
interested in doing what the unions tell them
than they are in ensuring a fair go for work-
ers. I commend the bill to the House.

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

The House divided. [12.10 p.m.]

(Mr Deputy Speaker—Hon. G.H. Adams)

Ayes 74

Noes 59

Majority 15

AYES

Anderson, J.D. Andrews, K.J.
Andrews, K.J. Bailey, F.E.
Anthony, L.J. Barresi, P.A.
Baird, B.G. Billson, B.F.
Bartlett, K.J. Brough, M.T.
Bishop, B.K. Cameron, R.A.
Cadman, A.G. Charles, R.E.
Causley, I.R. Downer, A.J.G.
Costello, P.H. Elson, K.S.
Draper, P. Falvey, J.J.
Entsch, W.G. Forrest, J.A. *
Fischer, T.A. Gambor, T.
Gallus, C.A. Georgiou, P.
Gash, J. Hardgrave, G.D.
Haase, B.W. Hockey, J.B.
Hawker, D.P.M. Jull, D.F.
Hull, K.E.
Bill read a second time.

**Consideration in Detail**

Bill—by leave—taken as a whole.

**Mr BEVIS** (Brisbane) (12.16 p.m.)—by leave—I move:

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

**1A Section 3**

Repeal the section, substitute:

3 **Principal object of this Act**

The principal object of this Act is to provide a framework for cooperative industrial relations which promotes the economic prosperity and welfare of the people of Australia by:

(a) encouraging the pursuit of high employment, improved living standards, better pay, low inflation and international competitiveness through higher productivity and a flexible and fair labour market; and

(b) within the framework provided by this Act and with the protections provided by the Commission, ensuring that the primary responsibility for determining matters affecting the relationship between employers and employees rests with the employers, employees and their organisations particularly at the workplace or enterprise level; and

(c) enabling employers and employees to choose the most appropriate form of agreement for their particular circumstances; and

(d) providing the means:

(i) for wages and conditions of employment to be determined as far as possible by the agreement of employers, employees and their organisations upon a foundation of minimum standards; and

(ii) to ensure that there is an effective award system providing secure and relevant wages and conditions of employment; and

(e) providing a framework of rights and responsibilities for employers and employees, and their organisations, which supports fair and effective bargaining and ensures that they abide by awards and agreements applying to them; and
(f) ensuring freedom of association, including the rights of employers and employees to join an organisation or association of their choice, or not to join an organisation or association, while maintaining the rights of employers and employees to organise and bargain collectively; and

(g) encouraging and facilitating the development and registration of organisations of employers and employees, and ensuring these organisations are representative of and accountable to their members; and

(h) enabling the Commission to prevent and settle industrial disputes

(i) so far as possible, by conciliation; and

(ii) where necessary, by arbitration.

(i) assisting employees to balance their work and family responsibilities effectively through the development of mutually beneficial work practices; and

(j) respecting and valuing the diversity of the work force by helping to prevent and eliminate discrimination on the basis of race, colour, sex, sexual preference, age, physical or mental disability, marital status, family responsibilities, pregnancy, religion, political opinion, national extraction or social origin; and

(k) ensuring that labour standards meet Australia’s international obligations.

(2) Schedule 1, item 1, page 3 (lines 6 to 17), omit the item.

(3) Schedule 1, after item 1, page 3 (after line 17), insert:

1B Section 88A

Repeal the section, substitute:

88A Objects of Part

The objects of this Part are to ensure that:

(a) minimum wages and conditions of employment are protected and maintained at relevant and fair levels by a system of enforceable awards; and

(b) awards provide relevant and secure wages and conditions of employment as compared to market rates; and

(c) awards are suited to the efficient performance of work according to the needs of particular workplaces or enterprises while the interests of employees are properly taken into account; and

(d) awards are continually maintained to reflect changes in the relevant workplaces; and

(e) the Commission’s functions and powers in relation to making and varying awards are performed and exercised in a way that encourages:

(i) the making of agreements between employers and employees and their organisations at the workplace or enterprise level; and

(ii) the prevention and settlement of industrial disputes.

(4) Schedule 1, after item 1, page 3 (after line 17), insert:

1C After paragraph 88B(3)(a)

Insert:

(aa) the need to ensure, so far as it can, that the system of awards provides for secure and relevant wages and conditions of employment;

(5) Schedule 1, after item 1, page 1 (after line 17), insert:

1D Section 89

Repeal the section, substitute:

89 General functions of Commission

The functions of the Commission are:

(a) to prevent and settle industrial disputes:

(i) in so far as possible, by conciliation; and

(ii) where necessary, by arbitration; and

(b) such other functions as are conferred on the Commission by this or any other Act.

(6) Schedule 1, after item 1, page 3, (after line 17) insert:

1E Section 89A

Repeal the section.

(7) Schedule 1, after item 1, page 3 (after line 17)

Insert:

1F Section 106

Repeal the section.
Schedule 1, after item 1, page 3 (after line 17) insert:

1G After Section 113
Insert

113AA Commission may vary or set aside award because of effect of former section 89A

(1) An application may be made to the Commission to make an order to vary or set aside a relevant award or any of the terms of a relevant award because of the effect of former section 89A.

(2) In considering whether to make an order under this section the Commission must have regard to:

(a) the findings as to the industrial dispute giving rise to the award;

(b) the matters that were at issue when the award was made;

(c) the circumstances in which the award was made;

(d) the extent to which a matter was not included in the award because of the operation of former section 89A;

(f) such principles as may be established by the Full Bench for varying or revoking awards under this section.

(3) An order under this section may be subject to conditions or limitations.

(4) An organisation to which an order applies must comply with the order.

(5) The Court may, on application by the Minister or a person or organisation affected by an order made under this section, make such orders as it thinks fit to ensure compliance with that order.

(6) For the purposes of this section a relevant award is an award made during the processes of award simplification following the enactment of the Workplace Relations and other Legislation Amendment Act 1996.

(9) Schedule 1, item 2, page 3 (lines 18 to 20), omit the item.

(10) Schedule 1, item 3, page 3 (lines 21 to 23), omit the item.

(11) Schedule 1, item 4, page 3 (lines 24 to 25), omit the item.

(12) Schedule 1, item 5, page 3 (line 26) to page 4 (line 14), omit the item.

(13) Schedule 1, after item 5, page 4 (after line 14), insert

5A Section 170L
Repeal the section, substitute

170L Object
The object of this Part is to facilitate and encourage the making, and certifying by the Commission, of agreements.

(14) Schedule 1, after item 5, page 4 (after line 14) insert:

5B Subsection 170LA(2) and (3)
Repeal the subsections.

(15) Schedule 1, item 6, page 4 (line 15) to page 6 (line 6), omit the item.

(16) Schedule 1, item 7, page 6 (lines 7 and 8), omit the item.

(17) Schedule 1, after item 7, page 6 (after line 8), insert:

7A After section 170MK
Insert:

170MKA Parties must genuinely try to reach agreement

(1) A negotiating party to a proposed agreement must take part in negotiations in good faith and genuinely try to reach agreement with the other negotiating party or parties.

(2) This section is not to be taken to require a negotiating party to:

(a) agree on any matter for inclusion in an agreement; or

(b) enter into an agreement.

(18) Schedule 1, after item 7, page 6, (after line 8) insert:

7B After section 170MK
Insert:

170MKB Powers of Commission in respect to negotiations
The Commission has the power to make orders to:

(a) ensure that negotiating parties to a proposed agreement negotiate in good faith and genuinely try to reach agreement; and

(b) promote the efficient conduct of negotiations in respect of a proposed agreement; and

(c) otherwise facilitate the making of a proposed agreement.

(19) Schedule 1, after item 7, page 6, (after line 8), insert:
170MKC Orders that may be made by Commission

(1) A negotiating party may apply to the Commission for an order under this section.

(2) If deciding what orders (if any) to make, the Commission:
   (a) must consider the conduct of each of the parties to the negotiations, in particular, whether the party concerned has:
      (i) agreed to meet at reasonable times proposed by another party; or
      (ii) attended meetings that the party had agreed to attend; or
      (iii) complied with negotiating procedures agreed to by the parties; or
      (iv) capriciously added or withdrawn items for negotiation; or
      (v) disclosed relevant information as appropriate for the purposes of the negotiations; or
      (vi) refused or failed to negotiate with one or more of the parties; or
      (vii) in or in connection with the negotiations refused or failed to negotiate with a person who is entitled under this Part to represent an employee; and
   (b) may consider:
      (i) proposed conduct or any of the parties (including proposed conduct of a kind referred to in paragraph (a)); and
      (ii) any other relevant matter.

(3) The Commission may make an order that a negotiating party take, or refrain from taking, specified action and, without limiting the power of the Commission to make an order under this section, the Commission may make an order to:
   (a) require a negotiating party to consider and respond to proposals made by another negotiating party; or
   (b) require a negotiating party to adhere to commitments given to another negotiating party or parties in respect of meetings and responses to matters raised during negotiations; or
   (c) set time limits for the completion of negotiations in respect of a proposed agreement.

(4) The Commission may not make an order which will
   (a) prevent a negotiating party from trying to reach an agreement with another negotiating party;
   (b) require a negotiating party to:
      (i) agree on any matter for inclusion in an agreement; or
      (ii) enter into an agreement.

(20) Schedule 1, item 8, page 6 (lines 9 to 11), omit the item.
(21) Schedule 1, item 9, page 6 (line 12) to page 7 (line 9), omit the item.
(22) Schedule 1, item 10, page 7 (lines 10 to 15), omit the item.
(23) Schedule 1, item 11, page 7 (line 16) to page 8 (line 7), omit the item.
(24) Schedule 1, item 12, page 8 (line 8) to page 9 (line 3), omit the item.
(25) Schedule 1, item 13, page 9 (lines 4 to 26), omit the item.
(26) Schedule 1, item 14, page 10 (lines 3 to 15), omit the item.
(27) Schedule 1, item 15, page 10 (lines 16 to 29), omit the item.

These amendments to the Workplace Relations Amendment Bill 2000 are indicative of the sorts of changes that are needed to Minister Reith’s laws in order to put some balance and fairness back into our system. They promote a stronger and more independent commission and an umpire who has the authority to deal with the wide range of industrial matters involved in our workplaces and in our industrial relations system. They introduce an obligation on all parties to negotiate and bargain in good faith—that is, for parties to genuinely try to seek out agreement.

To fix the deep-seated bias and imbalance that is embedded in Minister Reith’s laws would require far more dramatic and extensive amendments than those which I have moved today. Indeed, these amendments are not exhaustive not even in relation to the specific areas I have mentioned. As some members in the Liberal and National ranks will remember, and those who are left after the
next election will discover, the meagre resources available to an opposition do not enable comprehensive legislative programs to be easily pursued by an opposition. These amendments do go to the heart of what makes for a fair system.

A few moments ago in his second reading debate reply, the minister made reference to AWAs, Australian workplace agreements. There are only a couple of things I want to say in relation to that at this stage. That would be an entertaining debate to be had at another time. The minister has crowed about the level of uptake of AWAs. The Leader of the Opposition mentioned that the government claimed that 10 per cent of the work force would be on AWAs, when, in fact, the figure is less than one per cent. That needs to be put in clear context. The government claimed that by now there would be one million workers on AWAs. That is what they projected when the system was put in place. As we speak in the parliament today, they need only about another 920,000 to catch up to that target. They said there would be a million and they are about 920,000 short of it. The simple fact is that it is a dog of a scheme. The minister is pretty conversant with the application of dogs in industrial relations matters. This scheme is a dog and Labor will have none of it.

Many people in the community involved in industrial relations and those generally in workplaces I come across ask why it is that this government—and this minister in particular—is so hell-bent on pursuing bill after bill that tries to reduce workers’ rights. Last August he promised that he would have a piece of legislation in parliament before the end of last year to provide workers with entitlements when companies became insolvent. It is now June of the following year and we still do not have a bill here. The minister is not able to get around to keeping his word on those things, but he has been able to trot out two or three more pieces of legislation to strip rights away from workers. People say, ‘Why is that so? Why does he holds those views?’

We get an insight into the minister’s views not so much from what he says in this parliament or what he says in public interviews but from what he says when he is with his mates, when he is at business luncheons and when he is with extreme right-wing groups like the H.R. Nicholls Society. I will quote what the minister said at a business lunch in Perth on 9 July 1998. He told that business group:

Never forget the history of politics and never forget which side we’re on. We’re on the side of making profits. We’re on the side of people owning private capital

That is what the minister said when he was with his business mates. He told them that there should be no misunderstanding when it comes to industrial relations—he is out there to look after them at the expense of ordinary Australian workers and their families. You can see it embedded in every bit of legislation that this minister’s hands have touched.

There is another illuminating insight into the minister’s approach to industrial relations when you look at what he has had to say arising from some of the major disputes we have seen, in particular, the major dispute at Hunter Valley No. 1 coalmine, which has now gone on for about three years. That dispute is between the union and the work force and Rio Tinto, a very large multinational company that has had quite well-known policies towards unionism in a number of its operations around the world. 

Ms ROXON (Gellibrand) (12.21 p.m.)—I would like to raise a number of issues that have been touched on by other speakers in this debate. The pattern bargaining amendment being proposed by the government would, as many other speakers have said, be laughable if it actually was not a serious proposal. One of the most outrageous things in the Workplace Relations Amendment Bill 2000 is the provision that pattern bargaining through industries, as defined in this bill, is supposed to be prohibited if it is:

... contrary to the objective of encouraging agreements to be genuinely negotiated between the parties...

Listeners might think that that is a legitimate objective; that you want to encourage negotiation between the parties. What they should know is that the first thing this minister did when he was elected to this parliament was take out of the Industrial Relations Act that
was in place at the time provisions that required negotiation in good faith between the parties. Actually the minister is more than happy to say that parties do not have to negotiate in good faith as long as they do that at the enterprise level and not at the industrial level.

So this minister has done what we have highlighted every time he has brought a bill to this parliament. He picks and chooses whose side he wants to be on for particular things. He does not want to have an obligation for individual parties to be required to negotiate in good faith at an enterprise level, but he wants to make sure that unions have some extra obligation if they are going to negotiate at an industry level. He does not even seek to pretend that the employers should also negotiate in good faith. In fact, as we have seen when he has put out the manual on how negotiations should be conducted in the Public Service, he encourages people to negotiate in bad faith all the time. That is how he approaches industrial relations generally: in bad faith, and always with one particular interest in mind, and that is the employer’s interests.

We do not stand up here saying that we should only have the unions’ interests in mind. We think there should be a balance in industrial relations, but this legislation skews that completely. My first point is to highlight the ridiculousness of stressing the need to negotiate in good faith when this minister has taken out the provisions that were introduced in 1993 to require parties to negotiate in good faith. The amendments that have been moved by the member for Brisbane deal with those issues in some detail. I would like to support them.

The other thing I would like to draw attention to is what is headed in this bill as ‘giving the commission power to suspend a bargaining period to allow for cooling off’. But in the provisions under that heading there is nothing that deals with the fact that it is for cooling off purposes. All the commission need to decide is that they think it is in the public interest in some way to stop action. But they are then not allowed to play a role in furthering the negotiations in the public interest. There is no requirement for them to then step in and assist either by conciliation or arbitration. There is just a cooling-off period, taking particular account of the employer’s view—no one else’s view.

Many people would already know that there is a built-in mechanism in the existing legislation which says that if a party is going to take industrial action it has to give notice of it prior to the taking of that action. Those three working days are designed to be a cooling-off period. They are designed to give notice to the other parties so that there is an opportunity for those last-minute negotiations to avert any industrial action. But that does not seem to be taken account of. This bill just proposes that there should be another opportunity, when the pressure is perhaps on an employer or maybe on employees, for the commission to be able to step in and order that there is a cooling-off period.

I am really being too fair to the minister. I say that there is an opportunity for employers or employees to do this, but actually all of the prohibitive provisions relate to employees. There is no scope for them to try to prevent an employer taking industrial action, as in the situation in the electorate of the member for Chisholm, where people have been locked out of work for five months. There is no provision for cooling off in that situation that would apply against an employer. It seems to be so unbalanced that we cannot believe it is really what is being proposed by this minister, except that he is true to form. It is something that we obviously are going to oppose because there is absolutely no fairness in this system. Australian workers are getting sick of the government being cheerleaders for one side. The government should be providing the framework for there to be fair and decent industrial relations. That is what Labor stands for. It is what this minister should spend a little more time looking at.

Ms BURKE (Chisholm) (12.26 p.m.)—In considering these amendments to the Workplace Relations Amendment Bill 2000 in detail, I would like to make two suggestions on the bill: one is to get rid of it; the other is to return to it the substance of the amendments before the House. The first is the discrimination inherent in this bill by outlawing pattern bargaining for unions only. By allowing em-
ployers, including the federal government, with their template AWAs, to pattern bargain the government is obviously conceding that there are issues that are appropriately pursued by an employer across an industry. Employers would say they must not be at a competitive disadvantage; that the wages and conditions of their competitors down the road must be the same. They cannot be at a competitive disadvantage.

In my former working life for the FSU—yes, I am one of those people who are proud to be a former trade unionist—often the banks were the biggest pattern bargainers of all. But the union did not mind, as we understood that the work in banks does not widely differ between companies. So we understood their desire for the same or similar conditions for employees in a given classification. Equally, all we asked for on behalf of our members was recognition that similar work should be remunerated in a similar way.

The point that the Minister for Employment, Workplace Relations and Small Business and his ideological brothers seem to miss is that workers and their unions are not anti-business. In fact, it is within their interests that a business prospers and grows so that there can be more jobs and better pay for members. Unions only want a fair share of the profits for the workers who contribute so significantly to a company’s success. It is ironic that the lowest paid in many jobs are actually at the coalface of businesses. They are the shop assistants, they are the tellers in banks, they are the people on the end of the phone at the call centres. They are the face of the business, but they are the worst paid.

Nevertheless, what about unions and their members? This bill effectively tells union members that any campaign across an industry in support of a claim will be deemed pattern bargaining. So, in other words, an employer can pursue with their industry association the removal of penalty rates or the implementation of performance based pay, but a union is prohibited from running a campaign to insert a maternity allowance provision, a common health and safety conditions clause or a new allowance to compensate members for changed conditions in an industry.

The bitter irony for us on this side of the House is that what the Workplace Relations Amendment Bill defines as pattern bargains are the sorts of campaigns that have resulted in the workplace changes we all now accept as core conditions. There would have been no advances such as maternity leave, sick leave, superannuation or equal pay without common actions by unions and their members through awards or multi-employer agreements. As anyone who has anything to do with workers knows, there is still so much to be achieved.

While casualisation continues to eat away at the paypackets and job security of workers, there is a need for common claims. While the government insists on introducing tax reform that will reduce the spending power of workers, there will be a need for common claims to gain compensation. While there are still employers who refuse to adopt improved health and safety regulations, there will be a need to pursue common claims. But, unless these amendments succeed, this is the sort of unbalanced industrial relations world we face—one that allows companies and industries with deep pockets to pursue ruthless pattern bargaining to strip away conditions, yet denies workers in precarious and fragmented employment, such as cleaners, pieceworkers and call centre operators, the right to bargain across their industry and between employers for better conditions.

Moving to other amendments announced by our shadow minister, I would like to add my support to restoring the power of the Industrial Relations Commission, in particular to making orders to ensure that parties negotiate in good faith. One of the fundamentals of any bargaining system is a need for an independent umpire that is empowered to take an active role in settling disputes. This certainly would have helped the 83 workers at ACI in Box Hill who were cruelly locked out on Christmas Eve and continued to be locked out until April this year. That lock-out stemmed from the inability to resolve an enterprise agreement. The sticking point was never over wages. The amazing thing was that it was never about wages; it was actually about working conditions. At the heart of the workers’ dispute was that they did not want to see jobs lost; they were actually trying to preserve employment for everybody at that
plant. Five months without pay, five months locked out—did we ever hear the minister talk about that? No, but if they had been on strike for five months I am sure we would have heard it screamed from the rooftops. Nor do we hear about the NUW workers, again in my electorate, in Burwood at the Gordon and Gotch site who withstood from a company waterfront-like thug tactics that led to the hospitalisation of one of their family members. It was not even an employee: it was actually somebody there supporting their wife who ended up being hospitalised with a punctured lung because the workers were withholding the company’s move to casualise their employment. They were not standing up saying, ‘We want more, we want more,’ but were saying, ‘Actually, what we want is what we deserve and we’re sick of you trying to take it away.’ We are sick of them taking it away and we are sick of this minister allowing them to do that. Unless we stand up and be heard, this will just continue to happen. (Time expired)

Mr SNOWDON (Northern Territory) (12.31 p.m.)—It gives me great pleasure to rise to speak in this debate on the Workplace Relations Amendment Bill 2000, not because I take any pleasure in the legislation before the House but because I take pleasure in the position which was adopted by my leader in this parliament this afternoon. I want to point to one anomaly which illustrates aptly how the government deals with some of its own employees who do not have the benefit of the representation of a trade union. It is appropriate that they do not because they are members of the Defence Force. You will be aware, Mr Deputy Speaker Adams, that under our awards people who live and work in the Northern Territory have for a number of years issues such as remote locality leave, special provisions for leave entitlements, because of where they live. They are designed in part to compensate for isolation and distance from their families.

This is true also of Australian Defence Force personnel. Recently the Defence Force negotiated a deal with Qantas so that Qantas is its carrier. It had been the case that all Defence Force personnel in the Northern Territory, for example, were entitled to the equivalent of an economy class airfare to Adelaide as remote locality leave travel. They could use that leave fare in a number of ways. They could actually take it as cash and drive their families to wherever it was they wanted to go or they could use it to fly to Bali or elsewhere. What has happened, as a result of this deal between the Defence Force and Qantas, is that entitlement has been reduced to 68 per cent of its normal value, because the deal that Qantas has given to Australian Defence is that they provide them with a fare that is 68 per cent of the economy fare from Adelaide to Darwin. So there was a unilateral reduction in this leave fare entitlement, this remote locality travel entitlement, for Defence Force personnel who live in northern Australia. It has been reduced by 32 per cent as a result of a commercial arrangement between Australian Defence and Qantas without any discussion, negotiation or by-your-leave with these Defence Force personnel.

This applies also to Defence Force personnel who live in Townsville, because they are entitled to a similar fare to Brisbane. They will suffer a similar cut, as will those who live at Curtin air base in Western Australia or anywhere in those northern Australian regions. This is an indication of how this government believes it should treat its workers who do not have the entitlement of being represented by a union. They are not involved in formal discussions or negotiations about their terms and conditions and, by and large, Defence Force personnel accept that because they understand that the Defence Force has special arrangements for them. We recognise those special arrangements, on the one hand, in that we treat them as people who defend Australia, who can be sent off to do such things as represented by East Timor—and do it so well. But, on the other hand, we believe we have the right to reduce their terms and conditions of employment arbitrarily without as much as a by-your-leave.

There are other issues about pattern bargaining which are important to us. We heard the previous speaker talk about maternity leave, et cetera. There is also an important issue for me in northern Australia: the question of ceremonial leave. One of the issues
which affect Aboriginal people who are dispersed workers right across northern Australia without any high level of organisation is the question of the traditional rights that they would argue for ceremonial leave. What the government is proposing here is that they should be subject to individual negotiation at the workplace right across northern Australia. We all know what will happen, because history has shown us what has happened. There are numbers of Aboriginal people that I know who work, for example, in the pastoral industry and who are crippled and got no compensation because they have no entitlements and no rights. It is extremely important that we reject the proposals put forward by the government, support the amendments put forward by my friend Mr Bevis and support the words of our leader today. We must reject these proposals put forward by the government. It needs to learn to deal with its workers in a far more appropriate, fair and equitable way, particularly in this instance of members of the Defence Force.

Mr McARTHUR (Corangamite) (12.36 p.m.)—The shadow minister for industrial relations, who is at the table, is suggesting that the Workplace Relations Amendment Bill 2000 will remove bargaining in good faith and that his amendment will encourage those parties participating in industrial discussion to act in good faith. I would like him to explain to the parliament how certain people in Victoria—industrial activists Martin Kingham, Dean Mighell and Craig Johnston—are acting in good faith in terms of their industrial action and Campaign 2000 to achieve a 36-hour week on building sites and how, even amongst his own ranks, there is concern about the way in which they have conducted this campaign. Even the Premier of Victoria is upset because he cannot control this militant industrial wing or those even further to the left of the Labor Party.

This campaign to achieve a 36-hour week on building sites is well beyond even the normal conciliation and arbitration guidelines. They are using industrial muscle and industrial thuggery to achieve an outcome in their own industry and to set the scene for pattern bargaining. Yet, with his amendments, the shadow minister at the table says, ‘Look, we’ll bargain in good faith.’ How can he demonstrate that in the face of the facts in Victoria? We have these three militant unionists being fined by the court—and yet they are not going to pay their fines; they are going to make themselves heroes like Clarrie O’Shea—and yet the shadow minister says in a naive fashion, ‘Well, all my workers always engage in good faith.’

I wish to defend the minister in the attacks on him by members opposite. He has done a remarkable job in bringing about a reform of industrial relations in Australia. Reference was made to the industry problems at Patrick’s on the waterfront. For 100 years, those opposite have had inquiries and tried to do something about the waterfront. It took Minister Reith to introduce some legislation and actually do something about the waterfront. On any account, the waterfront is a better, more productive workplace than it was before the big strike. If you say that there was an act of good faith, let us look at the track record of what the MUA did to protect their monopoly position on the waterfront. They used every tactic they have used for the last 100 years to keep management out and to protect the waterfront from anyone going in there, and they have used every known tactic in the book to maintain their monopoly position.

The situation now is that there are fewer workers on the waterfront—I concede that—productivity has improved; management now can run the waterfront; and the personnel, although they will not admit it publicly, are enjoying working on the waterfront because they can do a fair day’s work for a fair day’s pay. So much for Minister Reith being the bogeyman of the waterfront dispute. Let us get it on the public record that Minister Reith and this government had a set of industrial relations arrangements that ensured that reform could finally take place on the waterfront and that the thuggery, rorts and well-known activities on the waterfront that have taken place for 100 years were changed. Now the waterfront in Sydney and Melbourne—and I was there a couple of weeks ago to observe for myself—is working in a harmonious way, where employees have annualised salaries, management can run the stevedoring
operation and the workers, whether members of the MUA or casuals, can enjoy a set of working conditions that was not possible before.

So I totally reject the amendments. They are very difficult to understand. As always, it is the shadow minister at the table and his leader walking on both sides of the street. On the one hand, they want to support pattern bargaining; on the other hand they say they support enterprise agreements, like their former Prime Minister did, and they have no real contribution to make to the industrial relations debate. As I said, I totally reject the amendments and I support the bill wholeheartedly.

Mr BEVIS (Brisbane) (12.40 p.m.)—The member for Corangamite is a fine person and I am delighted to have his support for our proposal that there should be bargaining in good faith. The danger that the member for Corangamite has fallen into is that if you are sitting outside the chamber, you have the TV on listening to the debate and you hear something and think, ‘Gee, I’d better rush in’ but you have not actually read the legislation, you do not know what the bill is and you do not know what the amendments are, you can make a few mistakes. And he just made a few. The proposal in my amendment to the Workplace Relations Amendment Bill 2000 is to put into his government’s law a requirement that there be bargaining in good faith. I am delighted to have your support, Stewie. So I look forward to your crossing the floor, voting with us and demonstrating to Mr Reith that his legislation is flawed and that, at least in this respect, you think the opposition, the Labor Party, is right.

Maybe I should have started with a quick run-down of the amendment, but I was too tempted to say some things about the minister for workplace relations—he is always a good target to start with. I succumbed to that last time so, given that we have a guillotine on this and there is less than 20 minutes left for the parliament to consider this matter, I will quickly make some comments about the amendment I have moved. In my introduction I did point to the key aspects that the amendment is targeting. I want to refer to the two broad areas. This amendment seeks to remove every single clause of the bill before the parliament moved by the government. Make no mistake: we are opposed to that bill and everything in it.

But we want to take this opportunity to say to the parliament, ‘There are alternatives and better ways of doing things.’ So we have moved a series of amendments to the principal act as an indicative measure of what might be done by government if it was fair-dinkum about establishing a fair system. We propose new principal objects of the act. As set out in the amendment, the very first principle that we think should be there guiding the Industrial Commission and setting out what we think an industrial relations system is about is:

1.  encouraging the pursuit of high employment, improved living standards, better pay, low inflation and international competitiveness through higher productivity and a flexible and fair labour market.

I think that is a fine principle to set out as the first object of the act, and it is one that is not reflected in the current objects of the act. We have also included the following object:

- enabling the Commission to prevent and settle industrial disputes
  (i) so far as possible by conciliation; and
  (ii) where necessary, by arbitration.

Frankly, most Australians expect that. And throughout our history as a nation that has been the system that has been in place. It is only this government that has jettisoned the bipartisanship on that point, a bipartisanship that basically goes back to 1904. So we have a government that is so extreme in its position that it adopts a view not even shared by other conservative governments.

I want to also quickly refer to the amendment that repeals section 89A. This is the section in the current act that limits the powers of the commission to deal with a whole range of things—it says it is only allowed to deal with 20 allowable matters. This has been the cause of the inability of the commission to deal properly with these things that has been at the core of many of the disputes that have occurred. It is why we see industrial relations played out in courts—Federal
Court, High Court, state Supreme Courts. It is very much because of that particular section. So we are proposing to remove that and we are putting in place what we believe is an alternative model that would allow the commission to have the scope to reconsider those things that have been stripped out by the government’s 20 allowable matters legislation.

The other area that is important that is included in this series of amendments is the introduction of a requirement that parties must genuinely try to reach agreement. That is a fair test. It is one that I now know the member for Corangamite endorses. We are seeking to put in place some clear guidance in the act that that should be so for all parties in industrial matters. And, of course, the commission needs to be able to have authority to deal with those things. At the moment, it cannot because this government—and the member for Corangamite voted for it—actually took out of the Labor Party’s former legislation the fair bargaining provisions, removed them and then kneecapped the commission so it no longer had the authority to deal with the raft of those issues that are normally conducted in industrial relations.

Ms BURKE (Chisholm) (12.45 p.m.)—Following on from the member for Brisbane’s comments, as I was saying before, if the disputing parties at ACI in Box Hill and at Gordon and Gotch in Burwood had actually been able to go back to the commission and seek an order requiring the employers to bargain in good faith, they may have actually avoided the disputes that were before them. If they had actually had that provision there, these two massive disputes in my electorate may have been resolved. I believe that removing the provisions that strengthen the right of the commission to intervene and repealing the allowable matters clause, in addition to the discriminatory union-only ban on pattern bargaining, will help restore some fairness to the system. Labor is not about ending enterprise bargaining. In fact, it was Labor and the trade union movement that really facilitated its introduction. These amendments are about ensuring that a government that is intent on producing a system that swings the pendulum that swings the pendulum way too far in favour of employers is brought back into balance in the interests of all Australians.

I would like to examine Labor’s proposal to repeal section 89A of the Workplace Relations Act that currently provides for allowable matters. Repealing this will provide the Industrial Relations Commission with the discretion to place into awards any industrial matters necessary for the prevention or settlement of disputes—in other words, a return to the system where a broad range of conditions can be negotiated between employers and employees, whether it be accident make-up pay or Defence Force leave. These were two important standard conditions that were removed by the act from awards. If these amendments were to succeed, it would tear up the long-winded and painful process of award simplification that unions and employers have had to work through in an attempt to get their awards to comply with the allowable matters.

This aspect of the Workplace Relations Act was one of the best possible illustrations of the hypocrisy of this government. On the one hand, the minister waxes lyrical about the need to make industrial relations simpler and more flexible. Yet, by only permitting allowable matters to be inserted in new awards, by introducing this bill, that will lead to the chaos of unions having to do single-employer agreements. It has introduced the most complex, legally driven and prescriptive industrial relations system we have ever seen.

I was proud to hear my leader in the House enunciating Labor’s vision for future industrial relations. This includes restoring the powers of the commission and giving back the ability for the parties to actually bargain about all matters instead of restricting powers, as this minister has done. Importantly, also, abolishing the AWA system—which has been a miserable failure with only a one per cent take-up rate in the workforce—would also give back a great deal of flexibility to the system. As we saw before the Senate inquiry into the second-wave bill, with employers putting AWAs to workers on a ‘take it or leave it’ basis, too many negotiations were either not genuine or not conducted at all. The Senate inquiry also found that women workers juggling family
women workers juggling family responsibilities, young workers, and families from non-English speaking backgrounds were particularly disadvantaged by AWAs. I suppose we should not be surprised that the government does not consider these categories of employees worthy of protection, but Labor does.

Labor will support a system that recognises our industrial relations system must take into account the inherently unequal power balance existing between an individual worker and their employer. Finally, I call upon all members to support these amendments and return a sense of fairness and commonsense to the industrial relations system.

Mr BEVIS (Brisbane) (12.49 p.m.)—I want to return to a point I raised earlier, which was the attitude exemplified in this Workplace Relations Amendment Bill 2000 and how it reflects the government’s view. I started to make some reference to the Hunter Valley No. 1 dispute that has now been under way for about three years. The fact is that the full bench of the commission have said that they do not have any authority to deal with that matter, because this government’s legislation will not allow it to—a major dispute with a significant economic impact on the state and the nation, and causing hardship to many people, but the commission is unable to do a thing about it. It has been to the courts, which is where all these things now go.

Mr McArthur interjecting—

Mr BEVIS—Well, that did not happen by accident; and, in fact, the minister has bragged about the fact that the commission’s inability to deal with that dispute is because of his intervention. There are a few members of the H.R. Nicholls Society still on the government benches, and the member for Corangamite identifies himself. At an H.R Nicholls Society function in 1998 that the minister attended, he spoke about that dispute and the fact that the commission and the courts had not been able to intervene. He said in his address to the society:

That did not happen by accident. That happened because of the nature and tenets of the Workplace Relations Act.

That is, when he is with his mad right-wing mates he brags about the fact that his law has stopped the commission and the courts from settling disputes. You will not hear it from him here in parliament. You will not hear it from him when he does his doorstep with the journalists. But when he is with his lunatic right-wing mates he is more than happy to brag about that. And that is exactly what he did.

Other members on our side have referred to the five-month lockout at ACI at Box Hill. There has been a seven-month lockout at the G. and K. O’Connor Pakenham meatworks. Joy Manufacturing in New South Wales had a three-month lockout. There has not been a single word of criticism from this minister or this government about any of those. There is no-one in this country who believes that Minister Reith could contain himself for 24 hours if any union anywhere in Australia were to say, ‘We’re going to have a three-month strike.’ Does anyone really believe the minister would not be out there instantly attacking them? And yet we have case after case after case of employers locking workers out for three months, five months, seven months—with not a word of criticism about it and no legislation here to deal with it—because the system is fundamentally biased. It is deliberately biased, and when he is with his right-wing lunatic mates the minister actually embraces it and brags about the fact that it is.

Contrast that with the situation we saw earlier this year in Victoria in the construction industry. Unlike the Hunter Valley where you have a big company, a big multinational, with very deep pockets—they can go to war with the union in a country for years, if they want to—the construction industry in Victoria has many different employers, some rich, some not so rich, some with an ideology that might agree with the minister, plenty not. In that situation they had a two-month industrial dispute initiated by the union, and throughout that entire two months there was nothing but abuse from this government, this minister and members of the government even in this debate. We need to understand the way this government views it. In its view the commission and the courts should immediately stop a union if it is in-
volved in a campaign for four or five weeks, but a company can lock its workers out for four or five months and that is okay—no-one should be allowed to interfere. There is no balance, and Labor intends to restore that balance. We have moved these amendments to give an indication of how that can be done.

But it is not just those of us in the Labor Party and the trade union movement that have this difficulty; the former Premier, and good friend of the Minister for Employment, Workplace Relations and Small Business, Jeff Kennett got very upset with the minister when the minister tried to put his nose into the Federation Square argument. The federal government was putting out $50 million for that. Peter Reith did not like the agreement that was entered into so the government here threatened the Victorian government that it was going to pull out the $50 million funding. Jeff Kennett said:

I don’t think it’s right for Mr Reith or the federal government to be holding a gun at Victoria’s head. Even its mates in the Liberal Party are fed up with the way this government is involved in its biased and divisive industrial relations campaigns. Let me explode a myth in the few seconds remaining. Industrial disputes: lots has been said about them. Under this government’s laws the number of long-term industrial disputes has risen. Disputes between 10 and 20 days have risen by 11 per cent during the period of this government. Disputes of more than 20 days have risen by a whopping 131 per cent. The fact is that disputes occurring now are longer, entrenched and more disruptive—precisely the sorts of divisive disputes we want to avoid, precisely the sorts of disputes that under Labor’s law would be dealt with by the commission, but cannot be under this government’s. (Extension of time granted.)

The courts now are having these industrial relations matters forced upon them because the commission has no authority, so the parties in a dispute look for ways out—and of course there is no shortage of lawyers who, for a fee, will tell them they can find a way out for them in the courts. So industrial relations disputes, arguments in a workplace, now are routinely fought out in the courts of the land. That is an insane system. It is one that no-one I have met in industrial relations likes, but it is absolutely the product of this government and its legislation. We now have the justices themselves saying, ‘Enough is enough. This is not what our courts were set up to do.’ The Leader of the Opposition quoted one of those justices. I just want to expand on that. Justice Nathan commented earlier this year on the disputes that now are coming before him. He referred to the industrial parties and the fights as being ‘redolent of the Grecians and the Spartans’. He could see the old Athenians and the Spartans doing mortal combat—as they did, if memory serves me correctly, for a couple of centuries—and he can see those battles being played out in his courts on a daily basis. He went on to say the courts have become the new industrial battleground as this government’s act invoked ‘ritualised mayhem in which only the innocent are slaughtered’.

What a disgraceful position for a government to preside over and defend. The government defend that position by calling black white and by trying to con the public. The problem they have got now, though, is there are so many workers out there who live the lie, who live the problems. They know that when this minister gets up and says that everything is okay and they have got greater freedom, greater stability and greater flexibility, it is untrue.

If this government were fair dinkum about worrying about productivity, they would give up on their obsession to introduce laws that always are designed to reduce the rights of workers. This is a classic example, as has been mentioned. This particular bill actually tells the umpire that it has got to listen to the employer. In black and white it says, ‘You have to pay particular regard to what the employer says.’ So they are already telling the umpire who is going to win every time there is an argument. But if they were fair dinkum about worrying about productivity and how we can improve it, they would take some notice of what some of their other more enlightened ministers have had to say. In March this year, the Minister for Health and Aged Care, Michael Wooldridge, gave an excellent example of the sort of cost our nation confronts because of this government’s legislation and its unwillingness to seriously look at
balancing work and life demands. The minister for health told this parliament on 14 March:

... there are as many days lost through depressive illness in a fortnight in Australia as there are through industrial disputes in any 12-month period.

That is an amazing admission—that in two weeks we lose more out of our work force because of depressive illness—and that is only depressive illness; we are not talking about all the other health and occupational safety issues here. Just that one illness, depressive illness, costs our nation more in two weeks than every strike we have in a year. What is this government doing about that? Nothing. What this government do is introduce more ideologically driven laws to attack unions and workers, because they think there is some cheap political mileage to be had out of it, instead of addressing the underlying problem. The responsible thing for this government to do is to put back in place a decent, balanced industrial relations system with a strong umpire. We have given them a few pointers here in these amendments as to how they might do that. They need to do that. They need to stop playing cheap politics and do something about what all Australians want: higher living standards, greater security of employment and better opportunity for their children. Do something about productivity. If they were fair dinkum about that they would take the advice of the health minister and do something about the health and occupational problems that confront workers, because Australia has much more time lost through that than through industrial action.

We will oppose this bill. We have put forward some amendments that we think are markers in the sand on how this legislation could be made fairer, that is, the 1996 act. The bill before us deserves no support. We will oppose the bill. We divided on the second reading, and we will divide on the third reading. It is a bad piece of law, one of the most biased this government has introduced. I hope that the Senate is wise enough to see through the government’s ploy on this, not fall for the three-card trick and accept a couple of amendments, and defeat it there as well.

Question put:

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

The House divided. [1.04 p.m.]

(Mr Deputy Speaker—Mr K.J. Andrews)

Ayes........... 59
Noes........... 74
Majority........ 15

AYES

Adams, D.G.H. Bevis, A.R.
Brereton, L.J. Burke, A.E.
Byrne, A.M. Cox, D.A.
Cream, S.F. Crosio, J.A.
Danby, M. Edwards, G.J.
Ellis, A.L. Emerson, C.A.
Evans, M.J. Ferguson, M.J.
Gerick, J.F. Gibbons, S.W.
Gillard, J.E. Griffin, A.P.
Hall, J.G. Hatton, M.J.
Hoare, K.J. Hollis, C.
Horne, R. Irwin, J.
Jenkins, H.A. Kerr, D.J.C.
Latham, M.W. Lawrence, C.M.
Lee, M.J. Macklin, J.L.
Martin, S.P. McClelland, R.B.
McFarlane, J.S. McLeay, L.B.
McMullan, R.F. Melham, D.
Morris, A.A. Mossfield, F.W.
Murphy, J. P. O’Byrne, M.A.
O’Connor, G.M. O’Keefe, N.P.
Pibersek, T. Price, L.R.S.
Quick, H.V. Ripoll, B.F.
Roxon, N.L. Rudd, K.M.
Sawford, R.W * Sciacca, C.A.
Sercombe, R.C.G * Sidebottom, P.S.
Smith, S.F. Snowdon, W.E.
Swan, W.M. Tanner, L.
Thomson, K.J. Wilkie, K.
Zahra, C.J.

NOES

Abbott, A.J. Anderson, J.D.
Anthonv, L.J. Bailey, F.E.
Baird, B.G. Barresi, P.A.
Bartlett, K.J. Billson, B.F.
Bishop, B.K. Brough, M.T.
Cadmian, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Costello, P.H. Downer, A.J.G.
Draper, P. Elson, K.S.
Entsch, W.G. Fahy, J.J.
Fischer, T.A. Forrest, J.A *
Gallus, C.A. Garnabaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hawker, D.P.M. Hockley, J.B.
Hull, K.E. Jull, D.F.
Thursday, 1 June 2000

Representatives

Katter, R.C.
Kelly, J.M.
Lawler, A.J.
Lindsay, P.J.
Macfarlane, I.E.
McArthur, S *
Nairn, G. R.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Ronaldson, M.J.C.
Scott, B.C.
Slipper, P.N.
Southcott, A.J.
Stone, S.N.
Thompson, C.P.
Vaile, B.H.
Wooldridge, M.R.L.

Kelly, D.M.
Kemp, D.A.
Lieberman, L.S.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Moylan, J. E.
Neville, P.C.
Prosper, G.D.
Reith, P.K.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Wooldridge, M.R.L.

Ayres............ 71
Noes............ 59
Majority........ 12

Ayes
Abbott, A.J.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Eelson, K.S.
Fahey, J.J.
Forrest, J.A *
Gamboro, T.
Georgiou, P.
Hardgrave, G.D.
Hockey, J.B.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Lieberman, L.S.
Macfarlane, I.E.
McArthur, S *
Moore, J.C.

Anderson, J.D.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Draper, P.
Entsch, W.G.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.
Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lawler, A.J.
Lindsay, P.J.
May, M.A.
McGauran, P.J.
Moylan, J. E.

Nehl, G. B.
Neville, P.C.
Prosper, G.D.
Reith, P.K.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.

Noes
Adams, D.G.H.
Brearet, I.J.
Byrne, A.M.
Crean, S.F.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Holli, C.
Irwin, J.
Kerr, D.J.C.
Lawrence, C.M.
Macklin, J.L.
McClelland, R.B.
McLeav, L.B.
Melham, D.
Mossfield, F.W.
O’Byrne, M.A.
O’Keefe, N.P.
Price, L.R.S.
Ripoll, B.F.
Ridd, K.M.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Wilkie, K.

Ayres
Abbott, A.J.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Eelson, K.S.
Fahey, J.J.
Forrest, J.A *
Gamboro, T.
Georgiou, P.
Hardgrave, G.D.
Hockey, J.B.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Lieberman, L.S.
Macfarlane, I.E.
McArthur, S *
Moore, J.C.

Anderson, J.D.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Draper, P.
Entsch, W.G.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.
Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lawler, A.J.
Lindsay, P.J.
May, M.A.
McGauran, P.J.
Moylan, J. E.

Nehl, G. B.
Neville, P.C.
Prosper, G.D.
Reith, P.K.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.

Pairs
Beazley, K.C.
Fitzgibbon, J.A.
Kernot, C.
Wilton, G.S.

Howard, J.W.
Williams, D.R.
Bishop, J.I.

 verdicts

The House divided. [1.08 p.m.]

(Area of Speaker—Mr K.J. Andrews)

Ayes............ 71
Noes............ 59
Majority........ 12

Ayes
Abbott, A.J.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Eelson, K.S.
Fahey, J.J.
Forrest, J.A *
Gamboro, T.
Georgiou, P.
Hardgrave, G.D.
Hockey, J.B.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Lieberman, L.S.
Macfarlane, I.E.
McArthur, S *
Moore, J.C.

Anderson, J.D.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Draper, P.
Entsch, W.G.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.
Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lawler, A.J.
Lindsay, P.J.
May, M.A.
McGauran, P.J.
Moylan, J. E.

Nehl, G. B.
Neville, P.C.
Prosper, G.D.
Reith, P.K.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.

Noes
Adams, D.G.H.
Brearet, I.J.
Byrne, A.M.
Crean, S.F.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Holli, C.
Irwin, J.
Kerr, D.J.C.
Lawrence, C.M.
Macklin, J.L.
McClelland, R.B.
McLeav, L.B.
Melham, D.
Mossfield, F.W.
O’Byrne, M.A.
O’Keefe, N.P.
Price, L.R.S.
Ripoll, B.F.
Ridd, K.M.
Sciacca, C.A.
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Wilkie, K.

Bill agreed to.

Third Reading

Bill (on motion by Ms Worth)—by leave—read a third time.
Debate resumed from 30 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”.

Ms Worth (Adelaide—Parliamentary Secretary to the Minister for Education, Training and Youth Affairs) (1.16 p.m.)—In this debate on Appropriation Bill (No. 1) 2000-2001, I would like to say a few things about reconciliation between indigenous and non-indigenous Australians. I was honoured to be present for the day at Corroboree 2000 last Saturday and to walk the Sydney Harbour Bridge on the Sunday. I thank Dr Evelyn Scott for her personal invitation. I have no doubt that the weekend’s events will go down in the history of this country as a symbolic milestone as significant as the abolition of the White Australia policy and the 1967 referendum when Aboriginal people were given constitutional rights. I personally wanted to be involved to represent my family and the vast majority of the people of my electorate, particularly the more than 1,200 indigenous people who live there. This was probably one of the largest gatherings of this country’s leadership, including political, industry, church, community and indigenous leaders.

Reconciliation means different things to different people. It is my firm belief that 212 years after white Europeans came to this country the vast majority of our population want to acknowledge past injustices and do their best to rectify them, with goodwill between indigenous and non-indigenous Australians. For some that simply means friendship or mateship. For others it means being more actively involved in improving the lives of individual Aboriginal people. While the issues are complex and challenging, the government has made some gains, but there is still more to do.

Education is a powerful factor in improving people’s quality of life and increasing future prospects. The government recognises the need for educational quality and that this will not happen overnight. However, gradually the participation rate of indigenous people in formal education and training has increased to about 2.6 per cent. This is pleasing, given that indigenous Australians comprise 2.1 per cent of the population. Earlier this year, in an historic step towards self-empowerment for indigenous people and in an effort to improve indigenous educational achievement rates, the Prime Minister and the Minister for Education, Training and Youth Affairs, Dr Kemp, announced Australia’s first indigenous literacy and numeracy strategy. Over time, initiatives such as this will help give indigenous children a better start in life.

For a number of years now I have had a strong interest in Aboriginal health. I see good health as a prerequisite to a good education. Specific funding under the Office for Aboriginal and Torres Strait Islander Health Services program has increased 51 per cent in
real terms since 1996-97 to $187 million in 1999-2000. There is now a plan in place involving the states and territories. Reaching these agreements is a significant step in itself. As the Minister for Health and Aged Care, Dr Wooldridge, once said, quoting an Aboriginal friend of his: ‘For the first time we are all in one car heading in the same direction.’ While there is still so much to achieve, there are a number of good news stories related to increased birth weights and immunisation rates; the reduction of sexually transmitted diseases; and the management of renal disease.

I found Corroboree 2000 a very emotional experience. There were some powerful speeches and there was song, dance, tears and laughter. Dr Evelyn Scott said:

Well meaning Australians participated in taking children from their families, destroying indigenous languages and cultures, and banishing whole populations from their traditional lands to alien lands on missions and reserves. This period of assimilation continues to have a devastating impact on the lives of indigenous peoples. There is still discrimination, legal and social, against Aboriginal and Torres Strait Islander people.

And who could argue with these sentiments? When Mick Dodson spoke of his generation he was also speaking of my generation, and this is when I felt the tears in my own eyes, because he said, ‘Removing kids was all the go when I was born.’ He told of how his grandmother was taken at a young age and placed in a mission in Western Australia. His mother and two of his sisters finished up in the same mission and they both spent considerable time in orphanages in Broome, despite the fact that they were not orphans. His father was jailed for 18 months for breaching the Native Administration Act of Western Australia by cohabiting with his mother.

I find it a tragedy that as a young person growing up I did not know these things were happening. They were not spoken of, but they are now and it is important that they are. How would any one of us feel if we were taken from our mother or if our children had been taken from us? My eldest daughter telephoned me this week to tell me just how she would feel if her two small children were taken from her. I have known Audrey Kinnear for some years but have found out only in the last week that she was taken from her mother in the Maralinga lands when she was aged four. It must have taken strength and courage to talk publicly of such things, and I was pleased to see Audrey last night at the dinner to honour Neville Bonner and to give her a hug and to tell her how sorry I felt.

I spoke by phone to Barbara Flick, who is now based in Broken Hill and is working on the coordinated care trials at Wilcannia. Some years ago when I was writing a paper on Aboriginal health, Barbara took me to places like Bourke, Brewarrina, Walgett and Wilcannia. I told her I had been thinking of her this week. She was optimistic, talking of some of the wins indigenous people are now having in health and how Michael Wooldridge is the best health minister she has ever worked with. She told me how society is changing and how about 40 years ago in country New South Wales she did not talk to most white people and they did not talk to her. In shops, indigenous people had to wait until white people were served before approaching the counter. She, along with the other ‘little black kids’, as she put it, hid under the stairs of the local town hall, like Cinderella, and admired white girls and women when they arrived in their ballgowns. She told of how she and other indigenous people sat in the roped-off area at the local picture theatre. She told me how her mother had been taken from her grandmother and how her grandfather was a veteran of World War I. Cheerfully she told me how much things have changed: how she now speaks to the people to whom she once could not and how they speak to her, and how when she was young she would wake up and feel black and now she wakes up and feels Australian.

There is still dreadful disadvantage contributing to substance abuse and poor living conditions. We must do our best to change these things. It is with the knowledge of what has happened in the past that we can move forward. It will be through understanding and empathy that the healing can take place. Australia is a big country and it is one country and there is room for all of us to live with trust, tolerance and respect. I commend the bill to the House.
Ms HOARE (Charlton) (1.23 p.m.)—The Labor Party supports the appropriation bills; but, as indicated by the member for Melbourne, we are obliged to move this second reading amendment to Appropriation Bill (No. 1) 2000-2001 to highlight the government’s failure in relation to fiscal management of this country. In particular this has been emphasised by the number of amendments that have come before this parliament because of the sham introduction of the GST. Every time there has been another anomaly revealed, the government has seen fit to throw some more money at the problem to try to fix it. And why? Because we have a 1950s European tax being introduced in the year 2000. That is why we have seen well over 1,000 amendments pass through this parliament since the initial passage of this regressive tax.

Bill No. 1 seeks $38.53 billion to be appropriated from consolidated revenue for the ordinary annual services of government—that is, recurrent expenditures on already established programs. Bill No. 2 seeks an appropriation of $5.13 billion for payments to states and territories, other administered items and equity injections and loans. The parliamentary departments bill appropriates $154 million for the five parliamentary agencies. Included in these appropriations is our commitment in relation to our ongoing support to the burgeoning democracy of East Timor and to the peace and prosperity of our nearest developing neighbour. The Australian Labor Party has always and without qualification supported the deployment of ADF troops to East Timor so that we can productively support the peaceful transition to independence for the East Timorese people. We have always supported the other necessary mechanisms which are required for that deployment, both for the original INTERFET force and for those who continue under the new administration.

During his budget speech the Treasurer announced the government was going to scrap the East Timor levy, which was to fund the deployment of Australian forces and our ongoing support. We heard Treasurer Costello promote the sale of G3 mobile phone services as a method to maintain the budget surplus and in the process let people who earn over $50,000 a year off the hook when it came to this East Timor levy. The East Timor levy had proposed to increase the Medicare levy for those people earning in excess of $50,000 a year by 0.5 per cent and those earning more than $100,000 by one per cent for the 2000-01 financial year. It was anticipated that this levy would raise about $900 million for the year. It was to be a temporary levy to partially offset the cost of Australia’s ADF deployment in East Timor. The estimates of the extra defence costs provided by the Prime Minister in November last year were $907 million for 1999-2000, $1.089 billion for 2000-01 and $901 million for 2001-02.

The initial necessity of the levy and subsequent fire sale by the government of the mobile phone services raises very serious questions in relation to this government’s capacity to manage the nation’s budget. The Leader of the Opposition quite rightly said in his statement in the parliament on 23 November 1999 when he outlined the Labor Party’s support for the levy, ‘This is a commitment that Australia could have done standing on its head’—that is, committing ADF troops to assist East Timor in its transitional arrangements should have been something that just could have been done. I said that this raises serious questions about this government’s handling of the nation’s budget, particularly in relation to the introduction and implementation of the GST. When he originally announced the East Timor levy, the Prime Minister admitted that its imposition was necessary because of the negative impact on the budget of the GST. The parliamentary secretary stated in his second reading speech before the East Timor bill was withdrawn that it had been necessary because of ‘costs that were unforeseen at the time that the budget and the final A New Tax System tax reform package were put together’. So, instead of implementing a levy to pay for the East Timor crisis, we have the fire sale of spectrum licences for third-generation mobile telecommunications to alleviate this government’s budget crisis—the budget crisis which has arisen from the initial budget impact of the GST package, which is estimated to be almost $5 billion in 2000-01, and from the
further $1.8 billion impact from the Democratic deal on the GST.

The Prime Minister also stated that the budget would experience a loss of $500 million in public debt interest caused by delayed receipts from the sale of Telstra 2. This is another complete betrayal by this government of the mums and dads of Australia. The Prime Minister says, ‘My government will provide you with further opportunities to become shareholders. However, you will buy your shares at an inflated rate. But we are not going to warn you of the risks associated with the accumulation of your share portfolio. So when the market crashes the Australian dollar falls or interest rates increase and all you mums and dads see your share values crumble, we will not help you out.’ The mums and dads of Australia who bought Telstra 2 shares now face a very bleak future. Not only are these families facing a drastic reduction in the value of their shares but they are facing their fourth mortgage interest rate increase in six months; the erosion of any income tax cuts they may receive, and increased inflation; and, from 1 July, if they have not felt the impact already, these families will be forced to accept a 10 per cent GST every time they put their hand into their pocket.

These families, the mums and dads of Australia, will pay GST every time they buy a school uniform or pair of shoes for their children; they will pay it every time they pay their house insurance or the green slip for their car. They will pay it when they hire a cleaner to help their ageing parents, or someone to tend the lawns. They will pay the 10 per cent GST when they buy natural therapies for themselves or their children, or if they want to send mum or dad some flowers on special days during the year, and they will pay every time they leave the supermarket with a trolley full of groceries for the next fortnight.

This government can no longer keep pulling the wool over the eyes of the mums and dads of Australia in relation to this budget, and in particular the fire sale which has replaced the East Timor levy. The sale of the G3 mobile spectrum licences was not necessary because of the East Timor crisis, a commitment our country could have fulfilled standing on its head. The fire sale was required because of the incompetence of this government as economic managers. The Treasurer had always lauded himself as a good economic manager and he had almost convinced the mums and dads of Australia of that, but they are no longer going to be hoodwinked. They are hurting at the hip pocket and they will lay the blame for their pain fairly and squarely where it belongs and that is at the feet of the Prime Minister and the Treasurer.

The Labor Party supports the budget measures which are directed towards assistance for the East Timorese as we have supported the whole commitment in relation to East Timor. While Australia does have an ongoing commitment to East Timor and the development of democracy there, our financial commitment does not stop at $900 million. We have also given a financial commitment of between $50 million and $60 million in aid for Australia’s contribution to the humanitarian and reconstruction needs of East Timor and to also provide our support during the establishment of UNTAET.

Has our aid commitment to East Timor been absorbed by the overall aid budget, which I must emphasise has been declining over the past few years? And where is the money going to come from for the other expenses relating to assistance for East Timor? These include the deployment of the Australian Federal Police and other police, which cost $26 million, and $35 million to provide assistance to evacuees from East Timor to Australia. This may be an appropriate time to reconsider the overseas aid budget and the ongoing impact of international crises similar to what has occurred in East Timor—in Kosovo, Sierra Leone and Mozambique, just to mention three. It was pleasing to see the government bow to intense public and international pressure to waive the debts owed to the government by at least two of the heavily indebted poor countries, Nicaragua and Ethiopia, and that the budget papers state that the cost of the debt relief will be additional to the aid budget.

While the government is displaying such a rare generosity of spirit, I call on the Treas-
urer to dig his hand deeper into the coffers of the government and to cancel the debt owed to Australia by Vietnam and to also support increased assistance to Mozambique. Prior to being devastated by the natural disaster of floods, Mozambique was emerging as an African success story. However, its high level of debt will make reconstruction more difficult. The Australian Council for Overseas Aid points out that, even if Mozambique is granted relief, it will still owe $US5 billion and be repaying $US1.1 million each week. ACFOA puts this into perspective: Mozambique currently pays $US57 million a year in debt relief; its education budget is only $US20 million and its health budget is only $US32 million per year. The emergency assistance of $1.5 million from Australia for flood-ravaged Mozambique amounts to less than one week’s debt repayments.

Overall this budget has seen foreign aid fall to a record low. Last year’s budget saw the aid level fall to its lowest point ever, and this year the government has managed to ensure that it falls even further. I ask Minister Downer: how low can you go? Last year’s budget saw an allocation of $1.65 billion for overseas development assistance, and this year the allocation is reduced to $1.5 billion. This government and this minister have tried to lead us to believe that there has been no decrease in the aid budget between last year and this year. However, this is nothing more than a smoke and mirrors campaign orchestrated by this minister.

On closer examination and comparison between the two budget allocations, members will see that the budget figure for 1999-2000 was $1.5 billion. If this were the actual expenditure, it would have been possible to claim an increase. However, on top of the initial allocation in that last budget, there was additional funding of $12 million for the Heavily Indebted Poor Countries Initiative, $60 million for East Timor ad hoc appropriations, and $48 million for expenditure by other government departments on Kosovo and East Timorese evacuees in Australia.

In Labor’s last budget of 1995-96, foreign aid constituted 0.32 per cent of GNP. Last year’s aid expenditure as a proportion of GNP was 0.27 per cent, and this year it has fallen to just 0.25 per cent of GNP. The government has tried to maintain that our commitment to East Timor has not diminished our actual total overseas aid commitment, yet the figures show it has. So, instead of continuing with the proposal of an East Timor levy, which I must emphasise again did have complete bipartisan support, the government has just taken the necessary revenue from our total overseas aid commitment. The figures do not lie. Last year’s aid expenditure was $1.65 billion; this year it is $1.6 billion. Last year the overseas aid ratio to GNP was 0.27 per cent; this year it is 0.25 per cent. We have fulfilled our commitment to East Timor and will continue to do so, but the overseas aid budget has not increased. According to Community Aid Abroad’s executive director, Jeremy Hobbs, the Treasurer’s decision to scrap the Timor tax shows that the Australian economy could easily sustain a more generous aid budget. In a statement issued on 10 May, Mr Hobbs said:

... retaining the Timor tax would have meant that the aid budget level could have been protected and that means more lives saved, less poverty and less suffering.

He also went on to say:

... this level of funding is miserable and unjustifiable for a country that has given itself a $12 billion tax cut.

These are Mr Hobbs’s words, not mine, nor was he told to say that by my colleague the shadow Minister for Foreign Affairs. The shadow minister’s words were:

Tonight’s budget is fully consistent with the Howard Government’s miserly and short-sighted approach to foreign aid.

The government’s decision not to pursue any increases in the aid budget can surely not be a political one. If it is, the minister is far off track. There is huge electoral support for increased aid. In 1998, even at the height of divisive and wedge politics, a Newspoll found that 84 per cent of Australians expressed support for overseas aid. We all have that significant sector of our communities who pursue all governments and lobby to increase the overseas aid budget to 0.7 per cent of GNP. This has been modified, recently setting an interim target of 0.4 per cent of GNP by the year 2005.
All arguments for overseas aid from Australia to other nations were reinforced by the Simons review of the overseas aid program received by the government in April 1997. The review team noted that:
The principal motivation for the overseas aid program is based on humanitarian compassion.
And that:
The prosperity of the developing world is clearly in Australia’s national interest—not only for regional stability and security, but for our own economic future.
And:
Australia is a relatively wealthy country … unlike most other donor countries, we live in a developing part of the world. Our standard of living is much higher than the vast majority of neighbours in Asia and the Pacific islands.

I would encourage the government to re-examine its priorities to ensure that Australia’s reputation as a compassionate global citizen is not undermined further.

I would also like to address the huge impost which has been placed on Australian taxpayers in relation to the advertising and education campaign of the government’s goods and services tax. At last count $420 million has been spent, and the bill keeps growing. If we look at this in relation to my previous comments, this amount could well put Mozambique back on the road to recovery much better than the $1.5 million we did provide them with.

What of the other issues people are crying out about out there? Sure, they are scared and frightened by not knowing just how severe will be the impact of the GST on them and their families—and the GST concern is yet one more concern that this government can add to the list of concerns of John and Wendy and all the other average families trying to do their bit to get ahead. The worries they have about the new GST are on top of the other worries that they have. These families worry about the future of their children and the quality of education they can access. They are concerned that their elderly frail parents may not be able to enter into a nursing home or that they will not be able to afford to buy a nursing home bed. There are very legitimate concerns about community safety and the public health system. Communities are concerned about the lack of government investment in the development of infrastructure and about the future employment prospects of their children and their grandchildren.

Let us examine just how far the $420 million which has so far been spent on GST advertising and government propaganda would go in some other areas that governments have a responsibility to deliver on. As we all know and the media has reported, this $420 million could pay for 1,700 teachers over the next four years or build 114 new primary schools. It could over the next four years provide almost 3,000 new nursing home beds. It could also put an extra 1,600 police on the beat for the next four years. It could provide 1,370 new hospital beds for four years or give 1,600 patients much needed treatment. It could be spent upgrading 100 kilometres of road to dual carriageways. It could also provide 102,500 new four-year apprenticeships in areas of skills shortages.

This budget holds no promise for Australian families. The only core promise that Australian families can expect to be kept is that they will have to stretch their family budgets to pay for a 10 per cent GST on just about everything. Further to those services which could have benefited Australian families through a $420 million injection of funds, the Howard government in its first years has slashed $4.5 billion from social programs. These included reductions in social security payments, including education supplements, cuts to Centrelink staff, changes to child support, reductions in allowance for disability support pensioners, parents, young people training, pensioners and children. This government has also slashed the Commonwealth rehabilitation services, nursing home funding, hearing services, home care services, housing services and pharmaceutical services. In its first budget, this government completely abolished the Commonwealth dental scheme.

This budget announces the replacement of a $240 million program titled Stronger Families and Communities. That is a replacement of less than one-seventeenth of what has been ripped out of social programs to support Australian families. This government has failed to replace $4.5 billion worth of social
programs and has succeeded in whacking those families who can least afford it with a 10 per cent tax on nearly everything they buy and every service they use.

Mr NUGENT (Aston) (1.43 p.m.)—Before I come to the comments of the member of Charlton, who has just spoken, could I briefly make a remark about the previous speaker on this side, the member for Adelaide, and the comments towards the latter end of her speech, in particular in relation to Corroboree 2000 at the weekend and the march across the bridge, the state of indigenous welfare in this country and progress on indigenous relations. I very much associate myself with the very humane, knowledgeable and supportive comments she made in that regard.

Let me also before I start my comments pick up on some of the things the member for Charlton said. The member for Charlton is a new member in this place. I remember her father, who held the seat before her—a gentleman indeed. Although we often clashed on policy, we had a good working relationship. But I have to say to the member for Charlton that, new in this place or not, you have to learn a bit about the history of what goes on around here and learn to get some of your facts correct. When you say, for a start, a GST on everything, of course that is not true. The GST is in fact not applied to everything. To stand up here in this place and to say that to the nation is actually gross misleading.

It was also stunning to hear the member for Charlton talk about selling assets, talking about fire sales. I know she was not here during the 13 years of the Labor government, but has she not heard about what her government did with Qantas? Has she not heard what her government did with the Commonwealth Bank? And so I could go on. The member for Charlton talked about buying shares and the fact that Telstra shares have gone down in value on the stock market and asked why the government is not going to do something to compensate those who may therefore lose some money. The reality is that this government does not guarantee the price of any shares on the stock market. That is what going on the stock market is all about: you win some and you do not always win some. There is no question of any government bailing people out in that sense.

She went through a whole list of things that she says that people ‘will pay for’. ‘They will pay for’ one thing, ‘they will pay for’ something else, all with the GST, because with the GST, she said, prices were going to go up. What she conspicuously failed to mention, having given one loaded side of the picture, was that the GST is part of an overall package and people are getting significant compensation. If they are pensioners, their pensions are going up. If they are earning income or revenue from investments, they will get substantial tax reductions. You need to look at the outcome as a package. I think it was grossly misleading to suggest otherwise.

The member for Charlton talked about the advertising and education campaign. Again I draw her attention to what happened before she came to this place. Her father was actually part of the Labor government that spent literally hundreds of millions of dollars on advertising campaigns throughout that 13 years that Labor was in government. To suggest that that is something new and inappropriate when we have the biggest single tax change in this government’s history, in this country’s history, then it is appropriate that people are briefed on what it is all about—

Mr McClelland—$410 million worth.
Mr NUGENT—And I might add that it is not something that is new. As I said before, it is something that your side of politics did on a regular basis. If you added up the bill of the amount of money you spent doing the same sort of thing, you would find it was significantly more than we spent on this occasion.

The previous speaker, the member for Charlton, then talked about her John and Wendy scenario. We hear about whingeing Wendy and John and Wendy on a regular basis in this place from those on the other side. She talked about the need for extra education spending and the need for extra health spending. Of course, all of that has actually occurred. This government has put extra money into health; it has put extra money into education. To suggest otherwise is simply untrue.

The member for Charlton talked about the need for extra growth spending in the broad areas which are the responsibility of the states. She talked about not only health and education but also the police and why the government was not doing more in those areas. The state governments have the responsibility for providing those services. The reality is that the GST will provide the states—all of which, including the ALP states, have signed up with great alacrity to the new tax package—with ongoing growth revenue so that they can provide those facilities and those services. They will, of course, be properly looked after in the future. That is the responsible way to go about these things.

It is very important when we look at the budget and we look at economic management in this country that we do not just try to take a snapshot of any one budget, because clearly budgets are not framed or executed in isolation; we have a continuum. This, of course, was the coalition’s fifth budget since it came to government just over four years ago. It is interesting to look at where some of what I would call the base indicators are in the management of the economy of which this budget forms a part.

I first ran for parliament in this country in 1983. I was trying to win a Labor-held marginal and it was the day, 5 March 1983, that Bob Hawke came to power. It was not a good day to be a Liberal trying to win a Labor seat and I went down the tubes with most of the rest of the Liberal Party on that particular occasion. The point I would like to make is that in 1983, when power in this country was transferred from a coalition government to a Labor government, in the part of the country that I represent, the seat of Aston, an outer eastern suburban seat in Melbourne, unemployment was in single digits and mortgage interest rates were also in single digits. Seven years later, in 1990 when I got elected to this place, mortgage interest rates for home buyers were 17 per cent and unemployment was 11 per cent. It seems to me there you have a classic example of how seven years of economic so-called management by the Labor Party had demonstrated an effect on the sorts of things that affect ordinary Australians in my part of the world. It was a disastrous period. Of course, subsequently we came to government and by that time unemployment in my electorate was running at about eight per cent. Since this government has been in power, we have actually brought unemployment in my electorate down to four per cent. Interest rates may have gone up a little bit in the last few months, but they are still around the seven per cent mark and that is a full 10 per cent better than they were when the Labor Party was in power, when I was elected to this place. I mention these factors because it is important to look at economics not just in grand terms, in the bulk numbers and the sweeping statements, but as to how it affects people on the ground. The reason we come to this place is to try to run the country better for our fellow Australians. I think our government has actually had a very proud economic record in the last four years, often in very difficult circumstances. It has not always been easy, and particularly it has not been easy given that much of the rest of the region in which we live has been suffering the so-called Asian financial crisis. Yet we have survived that quite well.

In my electorate, as I said an outer eastern suburban seat in Melbourne, something like 52 per cent of people are aged between 25 and 64. In other words, they are very much in the work force. Twenty-six per cent of people were born overseas or of parents who were born overseas, that is, a quarter of the population are people who have come to this
country as migrants or are only a generation removed from that, and they are working hard to get ahead. I might add that I came to this country as a migrant within the last 25 years and, of course, my children are very much in that category as well.

Over 50 per cent of the people in my electorate belong to households made up of a couple with children, a family. It is the fifth highest ratio of families of any electorate in the country. Some 43 per cent of people in my electorate own their house and another 40 per cent are buying. When I was elected in 1990, there were more mortgage payers in my electorate than any other electorate in the country. We have now slipped a bit on the league to about fourth or fifth because the building boom in Melbourne has moved south-east and, therefore, the mortgage boom has moved out a little bit as well. Nevertheless, a large number of people are very much affected by mortgage interest rates. The way the government manages the economy of course has a lot to do with where mortgage interest rates are. Sixty-four per cent of the people in my electorate are in households that have two or more motor vehicles of some description. That is necessary because in my electorate there are no trams or trains. State governments over the years have not provided those things, therefore people do need to have some other means of transportation, not just the one car but a second vehicle—a motorbike or whatever—for people to get about.

Regarding incomes generally, 20 per cent of people earn less than $500 a week, but 18 per cent earn over $1,500. The vast majority, over 60 per cent, are in that $25,000 to $70,000 per annum income bracket which very much represents your average Australian. Employment in my electorate in the 1996 census was around 64 per cent and has gone up. Unemployment is about four per cent today and, as I said earlier, that contrasts very sharply with where it was a few years ago under the ALP government. One of the very interesting factors about my electorate is that 44.5 per cent of women are in the workforce. They are in the workforce partly because many of them want to be and they want to pursue a career, but they are also in the work force because clearly, with all the families we are talking about, there are kids’ expenses, they have to help pay off the mortgage and they need to pay off the second car and so on. It is very much a working electorate, a family electorate, and overwhelmingly a young electorate. Most people are employed in blue collar or semi-skilled white collar areas. We actually have relatively few academics and public servants. We have a lot of small business people and an increasing number of high technology people. Therefore, when we look from my perspective at the budget, I ask: what has it done to help the people in my electorate? If you look at the demographics of my electorate, of course one of the important things is: at what level are interest rates? I have to say very simply, very loudly and very clearly that interest rates are 10 per cent lower than they were 10 years ago when I came to this place. Interest rates are significantly lower than they were under the Labor Government when it went out of office. It seems to me that the coalition government has helped deliver a very practical thing for the residents of my electorate, because lower interest rates mean people have more money in their pocket and that means they are better able to cope.

In addition to interest rates, of course, we are delivering employment. As I said earlier, unemployment in my electorate has fallen from a high 10 years ago of 11 per cent to where it was at eight per cent when we came to government, and in my electorate now it is just under the four per cent mark. In other words, we are providing the jobs that people in my electorate need. Therefore we need to remind people that this government is delivering an economic policy that is actually helping people on the ground. It is doing the things that they need. It is helping them to cope with life; it is helping them to maintain a good standard of living; it is helping them to bring up their kids in a healthy and successful environment; it is providing the wherewithal to do those things.

When we look at the new tax system, it is important to remember that there will be not only a GST and some things will go up, some things will come down, and some things will stay the same because they are exempted, but...
also substantial compensation for people in all categories so that generally people will be better off. I think that is a lesson which the other side have actually understood. They do not stand up and say it openly—obviously they would not; it would not be a good political thing. But clearly they understand it; or at least their leadership understands it; otherwise the Leader of the Opposition would have been quite prepared to sign that piece of paper that the Treasurer passed to him a few weeks ago saying ‘On gaining government we’ll roll back and abolish the GST altogether’. Of course he knows he is not going to do that; he knows that it is the right thing to do. We have called his bluff and it is important that we tell the people of this country so.

It is also important to understand that the other side frequently engages in scare tactics against our older citizens. I find that one of the most reprehensible activities that goes on in this place. The number of older citizens in my electorate is a relatively small proportion, but it is an important proportion. My electorate would have one of the smaller proportions out of the 148 seats represented in this place, but nevertheless I have nine retirement villages and some 20 facilities that deal one way or another with aged people. It is important to reassure those people that they are not forgotten, that this government is looking after them, that there will be increased pensions for them and that those who are self-funded retirees and the like will get other benefits, by way of tax reductions, savings protections and so on.

The other important area of my electorate in terms of this budget is business. There are something like 8,000 small businesses in the seat of Aston. Many of them are retail outlets, some are small manufacturing places, but increasingly we are finding they are high-tech companies of one sort or another. It is important to remember that what this government has done for those businesses is a whole range of things—there is capital gains tax relief and a whole range of incentives, and, of course, another part of our economic strategy is to reduce taxes on business. We will find those small businesses will be doing an awful lot better in the future. The other side might be trying to run a scare campaign with a lot of those small businesses, but they will find in the future that they will be significantly better off.

I am delighted to see that the minister for workplace relations has just come in. We have a little newspaper cutting here from the Daily Telegraph of today headed ‘Reith—Workers’ friend’. There is no question that this side are the people who look after the workers of the country, not the hypocrites who sit on that side.

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

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—I inform the House that the Attorney-General will be absent from question time today due to a family bereavement. The Minister for Immigration and Multicultural Affairs will take questions on his behalf until he resumes duty.

QUESTIONS WITHOUT NOTICE

Industrial Relations: Australian Workplace Agreements

Mr BEAZLEY (2.00 p.m.)—My question is to the Minister for Employment, Workplace Relations and Small Business. Minister, do you recall telling this parliament on 28 October 1996:

With respect to Australian workplace agreements, I think we now genuinely have a user friendly system that is going to be practical ...

Are you embarrassed by this statement now that your most faithful loyalist, the ACCI, is agitated about the significant resources involved in AWAs and the onerous, convoluted, disturbing, bureaucratic and cumbersome nature of the AWA process?

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

Mr McGauran interjecting—

Mr BEAZLEY—I always said you Liberals had an irony bypass; now that is the evidence of it.
Mr SPEAKER—The Leader of the Opposition will come to his question.

Mr BEAZLEY—Well, I was being interrupted, Mr Speaker. Minister, are you embarrassed that even your former industrial relations adviser, now the Employment Advocate, has admitted that the low take-up of AWAs could have been due to their high transaction costs? Minister, why will you not just admit that your AWAs are an embarrassing failure and were never anything more than a divisive attempt to undermine the wages and conditions of decent, working Australians?

Mr REITH—AWAs have been a fantastic success—a great success. There have been over 100,000 of them. They have provided workers with choices that you, the Labor Party, would deny workers. The Leader of the Opposition is embarrassed by the fact that you would need the MCG just to find enough places to fit in all of the workers who have had AWAs.

There was a turning point in this debate about AWAs in the last 12 months. The turning point was when BHP offered individual contracts in their iron ore operations in Western Australia. It has been recognised that BHP have for a long time taken the attitude that they are keen to work with the unions, and I believe that is still their attitude today. But they also took the attitude that at a cost disadvantage of $2.50 a tonne compared to Rio Tinto it was about time they improved their workplace relations. So they offered their employees—many of them earning more than $100,000 a year—individual contracts so as to ensure that their operation was more competitive. The union movement effectively lost the appeal that they took to the full Federal Court. The only way the unions now know to stop individual contracts is to push over the weak Leader of the Opposition and to get that policy through the parliament.

The other point I want to make is that 100,000 is a lot of AWAs but it is not just the quantity of AWAs that is important. There are many businesses where the mere fact that they have had an AWA able to be offered has changed behaviour and provided for better workplace relations as a result. Lastly, when you are entering into an AWA there is no doubt there are processes involved in it. There is red tape involved with an AWA, and that is because when the AWA process went through Senate the Democrats insisted that we have a system there which would properly protect the rights of workers and ensure that workers were properly informed. It is true that we would like to make some further changes, and the Labor Party stopped those changes in the Senate. It is true, but it does not deny the simple fact AWAs have been a great success. The Leader of the Opposition has been told by the unions they are to be abolished, and he always does what the unions tell him.

Industrial Relations: Disputes

Mr HARDGRAVE (2.05 p.m.)—My question is addressed to the Prime Minister. Is the Prime Minister aware of recent comments that the smooth operation of industrial relations is a vital part of national welfare? Will the Prime Minister inform the House of recent ABS data on industrial disputes? How does the latest data compare against historical averages?

Mr HOWARD—I say to the honourable member for Moreton that I am aware of that statement. In fact, that statement was made last night by the Leader of the Opposition. May I say that I agree with the Leader of the Opposition. I agree very emphatically with the Leader of the Opposition that the smooth operation of industrial relations is a vital part of national welfare. It is because industrial relations has operated smoothly under this government that we now have 700,000 more people in work, we now have higher real wages than under Labor and we have higher productivity, and it is one of the things that have contributed to lower interest rates. In other words, one of the conspicuous successes of this government, against all of the gloomy predictions from the other side, has been the strength and the smoothness of the industrial relations changes that have been implemented by my colleague the Minister for Employment, Workplace Relations and Small Business.

One would have thought that if you were trying to build a case for change to Australia’s industrial relations system—as the Leader of the Opposition is trying to do—you would first explain to the Australian
u would first explain to the Australian public what the problem was. You would first identify how the system we have implemented has failed. Presumably, you would be able to point to more strikes, you would be able to point to higher unemployment, you would be able to point to lower real wages, you would be able to point to higher inflation, you would be able to point to higher interest rates.

But the reverse is the case. It is exactly the opposite of what was predicted in the run-up to the 1996 election. For one of the more remarkably belligerent, out-of-touch, arrogant and contemptible statements ever made by an industrial leader in this country, we remember Bill Kelty’s remarks on AM on 22 February 1996. He said:

All I can say is this: the recent skirmish in terms of Weipa. It’s just simply the sonata, just simply one piece. If they want a fight, if they want a war, then we’ll have the full symphony, the full symphony, with all the pieces and all the clashes and all the music.

If anybody thinks that they were the unwanted, unsolicited outpourings of a trade union leader, when asked about it the now Deputy Leader of the Opposition said on 23 February, the following day:

I think they are statements of reality.

In other words, the Deputy Leader of the Opposition, as spokesman for the then government, and Mr Kelty were predicting industrial chaos and industrial mayhem, dare I say, hoping that those recklessly indifferent, insensitive remarks would, in fact, be borne out. Of course, a few months later they were really complicit in organising one of the most disgraceful demonstrations this parliament has ever seen. We have never had a satisfactory disavowal of what happened in the lead-up to the 1996 budget outside this building from the Leader of the Opposition and certainly not from the leadership of the trade union movement.

In 1998 just 72 working days were lost per 1,000 employees. That was the best outcome for 86 years. There were 87 working days lost in 1999 and, in the 12 months to February 2000, the number of days lost per 1,000 employees stood at 91. I might add that the most recent increase is in no small measure due to the irresponsibility of the manufacturing, construction and transport unions in Victoria and the fact that the state Labor government is encouraging, by its own slipshod policies, the development of a greater atmosphere of union militancy in the state of Victoria.

On any measure, can I say to the member for Moreton that the principle laid down by the Leader of the Opposition has been magnificently fulfilled, indeed surpassed, over the last four-and-a-bit years by the industrial relations policies of this government. I would say to the Leader of the Opposition that, if you want to build a case for your cowardly capitulation to the union movement over industrial relations and if you want to justify the weak, spineless approach you have taken towards industrial relations, then go out to the workers who are better off under this government than they were under the former Labor government and explain why you should change a system and replace it with a system that would cut their real wages rather than increase them—a system that would encourage higher inflation and therefore higher interest rates. The undeniable reality is that workers are better off under this government than they were under the Labor government. The thing that sticks in the throat of many members of the Labor Party now is that, despite the fact that they boast that they were the friends of the workers, when they were in government they boasted about cutting the wages of workers, they did cut the wages of workers, they lifted their interest rates and they destroyed their jobs. Now, under a coalition government, I can look the working men and women of Australia in the eye and say, ‘Under this government you are better off, your interest rates are lower, your wages are higher and your children have more jobs.’ All of this is a result of a range of policies, including the industrial relations policy of my colleague.

So I welcome the fact that at last long we have a policy, through the mouth of the Leader of the Opposition—written by the trade union movement but through the mouth of the Leader of the Opposition; but at long last we have it. I welcome the opportunity to debate who has done the better job for the working men and women of Australia—the
coalition government or the members of the Labor Party? The Labor Party ought to remember that it does not exist to placate the union bosses; it ought to exist to look after the workers. That is what this opposition has conspicuously failed to do. When the minister for workplace relations went to Scone yesterday, where was state Labor? Where was the New South Wales Labor government matching us dollar for dollar? What a bailout! They do not like this; they do not like the fact that, when it comes to hard cash, to real wages, to lower interest rates and to more jobs, you are a long way behind the performance of the coalition government, and that is hardly a case for changing an industrial relations reform that has been superbly in the national interest and overwhelmingly in the interests of the working men and women of Australia.

Mr BEVIS (2.13 p.m.)—My question without notice is to the Minister for Employment, Workplace Relations and Small Business. Minister, are you aware that the British based company Serco, which has the outsourced maintenance and cleaning contracts for HMAS Albatross and Cresswell, is presently forcing its work force to sign an AWA for them to retain their jobs? Is this not just another example of your divisive and confrontational industrial relations agenda to undermine the job security of decent working Australians? Is this what you mean by choice in industrial relations: take the AWA or take the sack?

Mr REITH—I do not have any information about the facts which the shadow minister puts to me, but I can say to the House that there are provisions in the Workplace Relations Act against coercion, and those provisions also provide remedies. I am not in a position to comment more on the facts put to me by the shadow minister, but I have another example where certain claims have been made about Australian workplace agreements which, when checked, we find inaccurate. For example, this morning the Leader of the Opposition said that Blackbird Cafe, which I had never heard of until he mentioned it, had dropped AWAs. The reason he would say this is that the unions have told him, and he is a man who does everything the unions tell him without bothering to check the facts. I can inform the House that we have rung Blackbird and I have a fax from them saying, ‘We confirm that we have no intention of dropping our Australian workplace agreement.’ He ought to check the facts. He ought to have a word with those union leaders and tell them that it is a bit embarrassing just to keep repeating what they say without checking first.

Mr Bevis interjecting—

Mr Speaker—if the member for Brisbane persists with his interjections, I will be forced to deal with him.

Industrial Relations: Australian Workplace Agreements

Mr ANDREW THOMSON (2.16 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister inform the House of the success of the government’s Australian workplace agreements? Is the minister aware of any plans for their abolition? How would Australian workers be affected by such a proposal?

Mr Reith—I thank the honourable member for his question. Both the number of AWAs and the mere existence of AWAs provide people with a very significant element of choice in the way in which they settle their arrangements at work. Under the Workplace Relations Act, you can have a collective agreement or you can have an individual agreement. The value of that is that businesses are not all the same. Many businesses, even in the same market, might have different circumstances. They may have different numbers of employees, and they may have different requirements from their customers. The great value of the Australian workplace agreement is that it gives you a choice about the way in which you come to a deal at work. This is hardly a novel idea. In fact, it is an idea that has had bipartisan support. It shows you the extent to which the federal Labor Party is running the union line when last night the Leader of the Opposition announced a policy which contradicts statements made very recently by his own shadow
On 11 May the shadow minister, the member for Brisbane, said:

Further, Labor has consistently supported the notion that parties should be free to seek to negotiate agreements that are best suited to their needs.

I agree with that, but the trouble is that the policy dictated by the ACTU does not. The policy of the ACTU is that you can have an individual agreement only if it is a common-law agreement. In other words, you are allowed to have a common-law agreement only because union agreements and union awards overcome the operation of a common-law agreement. You are not to have any flexibility under the Labor system unless the unions have the right to knock off any agreements that people enter into.

Opposition member—Is it your intention to maintain awards?

Mr REITH—We think that an award system providing a set a minimum conditions for workers is a good idea, but what we want to do after that is also give workers the choice to settle arrangements that best suit themselves. The fact is that it has been a great success. The Leader of the Opposition has already been caught out misleading us about the circumstances of one business. He has also been caught out this morning. He said that the cost of an AWA is $500. That has been the subject of estimates hearings in the Senate and in fact there is specific advice from the advocate that the cost is not $500. I am told that the official figure on the record is actually $56.07. AWAs are a great success. They provide choice which the Labor Party claim to want to support, and it is only union leadership which prevents them. Lastly, look at what employers have been saying. It is not just ACCI which support them but also the Australian Industry Group. They say:

The current Workplace Relations Act which provides a choice between AWA’s and certified agreements is balanced and fair.

That was the same conclusion that the Democrats came to. It is a pity that the Labor Party cannot support the right of workers to have the deal that suits them best.

Industrial Relations: Australian Workplace Agreements

Mr BEVIS (2.19 p.m.)—My question without notice is again to the Minister for Employment, Workplace Relations and Small Business. Minister, isn’t it a fact that wage rates for workers covered by AWAs are more likely to be lower than those under union agreements? Isn’t it also a fact that, while union collective agreements have provided the highest average annual wage increases, at 4.4 per cent, AWAs have provided just 3.3 per cent? Doesn’t this prove that it is AWAs that are delivering second-class outcomes to workers—about 33 per cent less in the pockets of decent Australian workers?

Mr SPEAKER—The member for Brisbane has asked his question.

Mr REITH—What incredible hypocrisy! Do you have no shame? The Labor Party are asking us about the extent of wage increases. When they were in government, they boasted that they reduced people’s wages. Here is what the member for Hotham said back in 1988:

But even in regard to the wages policy itself, we’ve designed that wages policy so that the reduction in real wages was less for low income earners than for higher income earners.

We are proud, if I may say so, of the fact that under this system run by this government people have had increases in their real wages. That is not my boast; that is a boast made by none other than those who write your policy for you, the ACTU.

Mr Bevis—Mr Speaker, I rise on a point of order. My point of order relates to relevance. The question dealt with AWAs. The minister is yet to utter the term ‘AWAs’. He should come to the matter in question, which is: why does he persist in pursuing a second-class outcome?

Mr SPEAKER—The minister is in order, and I will listen to his answer.

Mr REITH—Mr Speaker, I invite you to listen to the words of the ACTU.

Mr SPEAKER—I intend to do so.

Mr REITH—This was in ‘Unions at work’, issued by the incoming secretary. He said:
Since 1996, the Living Wage has achieved an increase, after inflation, of 9.1% for the lowest paid workers—a record admired by our counterparts overseas.

This is a system that works. It works to the advantage of—

Mr Bevis—Mr Speaker, I rise on a point of order. We are now well into the answer. The minister still has not mentioned AWAs, which is in fact what the question was about. If he wants to have a separate debate, he should make a statement—

Mr SPEAKER—The member for Brisbane has made his point of order and will resume his seat. The minister was asked a question about wage rates and the influence of AWAs. He is addressing the question of wage rates, and I presume he will come to the matter of AWAs, and for that reason I have allowed him to continue.

Mr REITH—The point about AWAs is that more and more people are entering into them.

Opposition members interjecting—

Mr REITH—They are. They are entering into them because they are a good system. It is not just wages that attract people to Australian Workplace Agreements. Off the top of my head, I think 75 or 80 per cent of AWAs have family friendly provisions. These are facts on the public record, and they are uncomfortable facts for the Leader of the Opposition because, when you abolish AWAs, you abolish a choice that people have to better balance what they do at work and the responsibilities they have in their family.

The number of new AWAs approved in the first four weeks of May has been a record 5,421 and in May so far, in terms of filing, there have been 6,233. There have been 100,000, and we say roughly 3,000 extra a month, but on those figures it is more like 4,000 or 5,000 a month. That means that, on AWAs alone, at the next election you are going to prevent 150,000, 160,000, 170,000 workers from having the choice that they have otherwise exercised. It is no wonder that workers all around the country, including workers at Scone, reckon that this government is the friend of workers—they are absolutely right, and you are going to hear that message a lot more.

Economy: Growth

Mrs MOYLAN (2.25 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the contribution made by a flexible labour market to economic growth? What threats are there to this aspect of Australia’s economic performance?

Mr COSTELLO—I thank the honourable member for Pearce for her question. Flexible labour markets make a great contribution to economic growth, and that is because, by allowing employers and employees to fix wages and conditions, they can respond to events, they can share in productivity growth and employees can get higher wages. This is a point that has been made by the International Monetary Fund, who reported in their public information notice for the year 2000 on Australia as follows:

Reflecting strong growth and greater labor market flexibility, the unemployment rate has been trending down since the early 1990s, and reached about 7 percent in December 1999.

The IMF said:

... in order to build on this performance, sustained implementation of the structural reform agenda was essential, including through ... further deregulation of the labor market ...

The International Monetary Fund has recognised the steps that Australia has taken and has encouraged Australia to continue them. The OECD has done the same. The OECD, in its economic survey for the year 2000, said in relation to Australia:

Economic efficiency should be strengthened further and the rate of structural unemployment reduced through the ongoing move to a flexible industrial relations system ...

So our flexible industrial relations system has been recognised by the IMF and by the OECD. It has been recognised as making a contribution to reducing unemployment. Productivity growth in Australia has gone up—it has averaged 2.6 per cent under the coalition, compared to 1.5 per cent under Labor—and wages have been higher under the coalition government as a consequence. Real wages growth has averaged 2.3 per cent under the
coalition, compared with 0.3 per cent per annum under Labor.

Mr Zahra interjecting—

Mr COSTELLO—The member for McMillan interjects, the youthful Trotsky on the other side, and talks about cuts in real wages. He was not here at the time, but the Labor Party used to boast throughout the 1980s that one of its great achievements had been cutting real wages. That was the boast of the Keating government. They used to stand at this dispatch box, and we used to listen to it day in and day out, and claim that one of the great achievements of Labor had been cutting real wages. They saw that as an absolute achievement. The coalition sees the increase in real wages as the achievement—2.3 per cent per annum rather than 0.3 per cent under Labor. The evidence is there in relation to unemployment. When this government was elected, unemployment was 8½ per cent. Today, it is 6.8 per cent, coming down from Labor’s 11.2 per cent. Unemployment peaked at 11.2 per cent under the Labor Party, and who was the employment minister at the time?

Last night we had a back to the future speech delivered by the opposition leader for and on behalf of the ACTU. It was essentially back to the future because all of the advances that have been made, as recognised by the OECD and the IMF, had to be reversed so that we could go back to the situation where the ACTU controlled wage fixing, kept productivity low, kept real wages low and kept unemployment high. It was a spooky speech that was delivered last night. It was a back to the future speech, and it was not thought out and it had no idea about knowledge nation or education. It was: where would the ACTU like to take us next?

Labor has flirted with names for itself from time to time. It was New Labor for a while; it was going to model itself on Tony Blair and get rid of the socialisation clause. Then it decided that was too hard. Then it became Country Labor. It was going to go out into the regions spearheaded by Ferguson and Crean—the ACTU presidents, Batman and Hotham, the Count of Hotham and the Prince of Batman. The Labor Party is full of the old ACTU and second-generation politicians. What do you have to do to get on in the Labor Party? You have to be an ACTU president or get born in the back of a Comcar. That is the way you get on in the Labor Party—get born in the back of a Comcar.

Mr Horne—Mr Speaker, I have a point of order. I am surprised that you would allow that and not call the Treasurer to order over it.

Mr SPEAKER—The member for Paterson makes a valid point of order. However, it was not a matter of inconsistency on the part of the chair. As the Deputy Leader of the Opposition is aware, there have been some exchanges that have not been in the standard that is normally expected from the parliament. I ask the Treasurer to restrain himself from making those references.

Mr COSTELLO—My point is that the ACTU policy is not a blueprint for Australia’s future. It is a return to the past. It has no place in a modern economy. It is not recognised by the IMF. It is not recognised by the OECD. It is a backward step. The sooner the Labor Party can break the link with the trade union movement, the sooner it can become a real contributor to policy debate in this country.

Industrial Relations: Australian Workplace Agreements

Mr BEAZLEY—My question is to the Minister for Employment, Workplace Relations and Small Business. Do you recall yesterday criticising my commitment to common-law individual contracts on the basis that they will be ‘the second-class agreement stream’? Isn’t it a fact that, according to the figures in your own submission to this year’s living wage case, as many as 1.3 million Australians are presently working exclusively under common-law individual contracts, contracts we will keep? Minister, why do you consider the 1.3 million Australians on common-law contracts to be second class? Isn’t it really the 100,000 workers you have forced onto AWAs who are getting the second-class treatment?

Mr REITH—My view is that those million-plus workers should not be able to be pushed around by some union leader. It is as simple as that. There are a lot of common-
law contracts. Of course there are; there always will be. You cannot abolish them. As much as the unions do not like individual agreements, you cannot abolish them. We have had common-law contracts for many years and we always will have them. The point about an agreement under the Workplace Relations Act is that, subject to the no disadvantage test, it displaces the operation of the award. If you have a common-law agreement, then you have to comply with each and every one of the prescriptions under the award system. There is no flexibility: you have to comply with each and every aspect of the award.

The agreements were introduced by you; it was Labor Party policy. You used to think it was a good idea that an agreement could be brought in to overcome the operation of the award, subject to the no disadvantage test, to give people flexibility at work. The system that you propose for the private sector—where only two out of 10 people are in a union—is that the unions, controlling 20 per cent, will have the right to control the other 80 per cent. That is not fair, it is not in the interests of workers, and it is a complete capitulation to the union control policy which they have foisted upon you. It is not in the interests of workers, whether in Scone or anywhere else, and the Labor Party ought to know that. In 1998 it was Labor Party policy to at least allow individual agreements under the Workplace Relations Act. Okay, you did not want to call them AWAs because that was our idea, but you were going to allow them. The fact of the matter is that you are not going to allow any individual agreements under the Workplace Relations Act. That means that all those common-law agreements will be subservient to the blokes who run you—namely, the ACTU. If that was the first shot in the election campaign, I welcome it. It was a policy written and authorised by the ACTU and spoken by Kim Beazley, who does not know the facts.

GOODS AND SERVICES TAX: PRICE INCREASES

Mr PROSSER (2.35 p.m.)—My question is directed to the Minister for Financial Services and Regulation. The minister will be aware of claims that the Launceston Examiner is putting up prices by more than 10 per cent as a result of the tax reform. Can the minister advise the House of any further information that has come to his attention in relation to this matter?

Mr HOCKEY—I thank the honourable member for his question. On Tuesday, the federal member for Bass raised a matter in relation to GST pricing and the Launceston Examiner.

Government members interjecting—

Mr HOCKEY—She’s leaving. Don’t go!

Mr SPEAKER—The minister has the call and will address the question.

Mr HOCKEY—Mr Speaker, she asked:... how do you explain the fact that the over-the-counter price of the Examiner, Monday to Friday, will increase by 12½ per cent and the Saturday edition by 13.6 per cent?

Some correspondence between the Examiner newspaper and the honourable Michelle O’Byrne, federal member for Bass, has come into my possession, and I think it is totally appropriate that I bring it to the attention of the House.

Mr Howard—You have a public duty to do so.

Mr HOCKEY—I have a public duty to do so. The letter begins:

Dear Michelle—

that is where the niceties end—

I am appalled and disappointed at your misrepresentation of my letter to subscribers in Federal Parliament yesterday. I was brought up by my father to believe the Labor Party stood for honesty and fairness. It appears those values went with people like Lance Barnard and Gil Duthie.

As a subscriber, you would have received a copy of my letter. It clearly points out that the increase relating to the GST is 9.5%.

He goes on to explain the detail of that and says:

We set out to be open and honest in the best interests of our readers.

He goes on to say:

If my letter—

Mr Griffin interjecting—

Mr SPEAKER—The member for Bruce!

Mr HOCKEY—I am happy to table it.
Mr Sidebottom interjecting—

Mr SPEAKER—The minister will re-
sume his seat. The member for Braddon is
warned!

Mr HOCKEY—Shall I start again, Mr
Speaker?

Mr SPEAKER—No, you shall not. You
shall continue the answer.

Mr HOCKEY—The letter, which is from
the Chief Executive of Launceston’s local
paper, the Examiner, goes on to say:

If my letter confused you—
that is the member for Bass—
the facts could have been ascertained by a call
from any of your staff to me. It would have been
much more constructive. The newspaper employs
180 people, mostly in your electorate. They be-
lieve in their service to this community. They
share my disappointment this morning.

Opposition members interjecting—

Mr HOCKEY—Sure! I am happy to table
the letter. Mr Speaker, as is appropriate in
these matters, I will refer this letter to the
ACCC. I am happy to table the letter since
the opposition is asking for it to be tabled.
And I am happy to ensure that consumers and
small business are protected. The Labor Party
continues to misrepresent on this issue.

Business Tax Reform: Rural and Regional
Australia

Mr ANDREN (2.41 p.m.)—My question
is directed to the Minister for Agriculture,
Fisheries and Forestry. Minister, are you
aware that the New Business Tax System
(Integrity Measures) Bill 2000 will prevent
many genuine farmers forced to seek off-
farm income from deducting farm losses
from that income, but could allow a person
with a small hobby farm near the city to
avoid tax simply because that property is
worth over $500,000? Has any analysis been
done of the likely impact of this bill on rural
communities? Will you and your party sup-
port a parliamentary inquiry into its likely
impact on rural and regional Australia, as
called for by the National Farmers Federa-
tion?

Mr COSTELLO—I am quite happy to
take that question. It is based on a false
premise. The proposal provides that farmers
who have to go off farm to earn income can
so earn that income and offset their losses
against that income if that income is $40,000
or less. I think you will find that most people
who go off farms to earn incomes are in that
bracket; they are not high income earners.
They are the kinds of people who might go
into a town to work with livestock or as a
nurse or as a teacher or something like that.
That provision has been put in very specifi-
cally to ensure that somebody in that situa-
tion who goes off farm to earn an income is
able to deduct their farm losses against their
wage and salary income, while protecting
against high income earners, who would ob-
viously be earning above $40,000, from set-
ting up hobby farms and deducting what is
essentially a hobby against wage and salary
income. The provision was put into the leg-
islation to protect that situation, even though
it was not in the original proposal.

The second part of your question asked
what work had been done in relation to this
proposal. The point to remember is this: there
have always been guidelines against using
essentially a hobby, which a farm can be, as a
tax deduction. The Ralph business review,
which was set up under John Ralph and also
included Rick Allert and Bob Joss, said that
there was too much confusion over those
guidelines. It said that there ought to be a
specific five-tier test. The test related to the
value of the farm, the income it generated,
whether or not a loss was expected in two out
of five years, and other independent objective
facts. The reason it did that was so that peo-
ple would be in the clear on an independent,
objective, factual basis and able to determine
their tax situation. This government added an
additional test, which was the $40,000 test,
because we were mindful of the situation of
the hobby farmers. Those people have been
protected, in addition to what was recom-
mended by the independent panel. That is the
point: in addition to what was recommended
by the independent panel. The government is
proceeding with the recommendations, with
that amendment. It will cover hobby farmers.
It is a welcome addition to the tax law. It will
ensure that ordinary, decent taxpayers do not
have to, through the tax system, subsidise
those people who are really using hobbies as
tax deductible opportunities, and it will make the Australian taxation system fairer.

Trade: APEC Meeting

Mr FORREST (2.45 p.m.)—My question is addressed to the Minister for Trade. Would the minister inform the House of Australia’s objectives at the APEC trade ministers meeting in Darwin next week? How will the government use this opportunity to make progress towards a new round of the World Trade Organisation? Is the minister aware of any alternative approaches on this issue?

Mr VAILE—I thank the honourable member for Mallee for his question. He is obviously very interested in this issue. The government’s objectives are always absolutely focused on opening up new markets across the world for Australia’s manufactured goods and produce and will continue to be so. That will be the absolute objective when Australia chairs the APEC ministerial in Darwin next week. This is the first significant meeting of trade ministers since the WTO Seattle meeting last year. It is the first significant meeting of trade ministers since China’s accession to the WTO became assured with the passage of the PNTR legislation vote in the US recently. We want to make sure that we maintain the momentum towards the launch of a new round. APEC is a very important and powerful regional forum. It represents 60 per cent of the world’s GDP and the markets within APEC take 70 per cent of Australia’s exports. They are markets that we are continuing to work towards opening up to create a much fairer and freer trading regime.

We will be pushing to maintain the focus of APEC’s support for the launch of a new round on the core trade issues. We will not be allowing issues such as labour standards to be dragged onto the centre of the page like they were in Seattle. That ultimately caused the breakdown of talks in Seattle. We have seen the results of that. That has not been good for Australia’s exporters. At the end of the day, the best job that we can do for Australian exporters is to open up new markets across the world. The best way of achieving that is to get a new comprehensive round of multilateral trade negotiations launched.

I was asked about alternative views. There are a number of alternative views. Some of them almost accord with the government’s view. We welcome those. In a speech to the Australian Food and Grocery Council, Labor’s spokesman on trade, Senator Cook, said:

... I am a strong supporter of free trade. Not “fair trade”. Free trade. Naturally, free trade in itself will not solve the world’s problems.

We accept that support for our agenda. I must admit that Senator Cook was with the delegation in Seattle and supported the Australian efforts in Seattle, unlike some of his ALP colleagues from the union movement who were in Seattle at the same time. We did not see too much of them. I suspect they were on the streets with their union mates protesting about free trade and fairer trade across the world.

It is interesting to note some of the other comments that have been made on this issue recently. I will quote none other than the boss of the ACTU, Sharan Burrow. She was referring to Peter Cook’s comments about free and fair trade when she said:

My understanding from discussions with Peter Cook is that that is his own position.

She went on to say:

I’m not sure the Labor Party has a position overall yet.

That is not surprising. She went on to say further in that same interview:

I would hope that the ALP—and I’m fairly confident that they will—will support the position of the ICFTU and other international unions.

That is the position of the ACTU. You ask yourself: what is going to be the position of the ALP at this year’s conference in Hobart in a month or so? Australian exporters are also asking themselves the question: what is the position of the ALP? They know the government’s clear position. It is about policies that are supported by our regional partners. We will be pushing them forward at the Darwin meeting in the pursuit of opening up new markets. While Sharan Burrow was making those comments, Doug Cameron—the person I referred to earlier as, I think, being in Seattle and being on the streets—the National Secretary of the Australian Manufac-
turing Workers Union, was quoted in an article by Laurie Oakes:

Cameron, a very powerful figure in the union movement, attacked the ALP for “an uncritical acceptance of the current unfair, damaging and job-destroying ‘free trade’ and ‘free market’ agenda”. He said he could see no difference between trade minister Mark Vaile and Labor shadow minister, Peter Cook, and he called on Beazley to “wake up ...”

As members of the ALP head down to their conference in Hobart we have the prospect of Peter Cook going head to head with Shazza and Dougie on trade policy. It will be interesting to see who comes out on top. In the meantime, Australia’s exporters are asking: ‘Will it be Peter’s policy? Will it be Shazza’s policy? Will it be Dougie’s policy? What will Kim’s policy be?’ The best response to the question ‘What will Kim’s policy be?’ is probably contained in the Laurie Oakes article, where it states:

When Shazza rings, the opposition leader jumps ... 

**East Timor: Mail**

**Mr RIPOLL** (2.51 p.m.)—My question without notice is directed to the Minister for Defence. Is it a fact that at least some of our troops in East Timor have not received mail from Australia for up to five weeks? Is it also a fact that this mail is currently stockpiled in Darwin? If so, is this not a blatant breach of the government’s solemn promise to the troops before they left? Minister, how do you justify this unacceptable delay and will you apologise to the troops for breaking your promise?

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**Mr Sercombe interjecting—**

**Mr BRUCE SCOTT**—I have also heard reports that there have been delays in getting mail to the troops in East Timor. I have had them investigated. I have had also had calls from family members who, when they read that article, said that they have had reports back from East Timor that mail is getting there in record time—in as little as three to four days. We do take this issue seriously. It is a free mail system. If there is a problem somewhere and if you have identified where the problem is, I think it is your duty to come and tell us where it is so it can be fixed.

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**Mr Sercombe interjecting—**

**Mr SPEAKER**—The member for Maribyrnong, I will deal with you if you further interject.

**Mr BRUCE SCOTT**—I have asked the defence department to investigate these claims. We have been advised back from Australia Post through the International Mail Exchange that there are no hold-ups that they are aware of in relation to the free mail system into East Timor. But I repeat my request: if anyone has an example and you know where they are, come and give us the information. Then I can only say that the Labor Party does have a commitment to supporting the government, to supporting the free mail system to our troops in East Timor. If you have an example bring it to us, rather than play cheap politics.

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**Aboriginal and Torres Strait Islanders:**

**Native Title**

**Mr JULL** (2.52 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs, representing the Attorney-General. What are the latest developments in native title since the government’s 1998 amendments to the Native Title Act? Is the minister aware of any alternative policies regarding native title issues?

**Mr RUDDOCK**—I thank the member for Fadden for his question. Mr Speaker, as you would be aware, the government’s 1998 amendments to the Native Title Act allowed for states and territories to develop alternative laws to deal with native title as part of their day-to-day management of land. The Queensland government requested the Attorney-General to make 13 determinations under the Native Title Act in respect of their proposed alternative right to negotiate provisions. After careful consideration, and in accordance with the legislation, the Attorney has come to the view that the proposed Queensland alternative right to negotiate native title provisions comply with the Native Title Act. The determinations will be tabled today in the House and in the Senate.

The determinations are important because they provide certainty for all those involved. The real question that the Australian people are entitled to ask is whether Labor intends to support their Queensland colleagues and al-
low the legislation to pass or whether they will instead re-open a divisive debate in relation to native title. The Leader of the Opposition was reported in the Sydney Morning Herald on 19 April as saying that Labor had not made up its mind on this issue. He was reported as saying:

The Labor Party would decide its attitude when the government gave its view on the state regime. Despite pleas from the Queensland Premier for some consistency—we have not yet heard from the opposition, but they will have that opportunity—I just want members to be aware of what the Queensland Premier has said. I quote the Australian Financial Review. He said:

If this regime is disallowed, it would be the most savage slug to the mining industry in a generation. It would force mining offshore, it would destroy jobs. We are hoping it will get the support of the Federal Labor opposition and the government and the Democrats. If Labor rejects these proposed laws it would obviously be very costly to them.

That is a matter that I simply note in the Queensland context. The Queensland government first passed its legislation in 1998. It was flawed. It had to be significantly rewritten. There has been a great deal of time in which to be able to consider this issue, to consult in relation to it, but to date we have heard nothing about this matter from the opposition. It is important. I note that the shadow minister said fairly recently, when he was on the Sunday program on 9 April, that the Labor Party saw amendments to the Native Title Act as being ‘racially discriminatory’. But when he was pressed on the matter as to whether Labor would repeal them, he was unable to give that commitment.

It is important in terms of consistency to recognise that in relation to this legislation, where we get no comment about whether or not it would be repealed, the opposition allowed determinations in relation to two areas in Lightning Ridge in New South Wales to pass without being disallowed. So they assert that this is racially discriminatory but they have allowed determinations through in relation to New South Wales. When it comes to other parts of Australia, the Northern Territory, they have refused it, and they are silent in relation to Queensland. The test is here. The test will be whether the Labor Party are prepared to commit themselves to taking tough decisions in this matter, whether they are going to be consistent and whether they are going to take a sensible approach—one that is in the national interest—and support this regime that has been developed in accordance with the native title law.

Auditor-General’s Report:

**Commonwealth Foreign Exchange Risk Management Practices**

Mr TANNER (2.59 p.m.)—My question is to the Minister for Finance and Administration. I refer to the Auditor-General’s report on Commonwealth foreign exchange risk management practices tabled yesterday. How do you explain the Auditor-General’s findings that the government does not prudently and effectively manage foreign exchange risks, has no stated policy for managing these risks, and has squandered very large sums of taxpayers’ money as a result? How do you explain his finding that, as well as failing to adequately supervise other departments, your own department’s ‘inconsistent approach to foreign exchange risk in its overseas property developments has meant that the Commonwealth has been exposed to significant foreign exchange risk in this area’? If you cannot prudently manage even the finances of your own department, how can you run the finances of the entire Commonwealth?

Mr FAHEY—I welcome the opportunity given by the honourable member for Melbourne to make some comments in respect of the audit report that was tabled yesterday. I would like to start off by indicating that the processes in respect of foreign exchange risk management were in place in a similar fashion for, I think, the first 99 years of the Commonwealth government. They changed under the Howard government. They changed as a result of the Howard government bringing forward changes to the audit act and the Financial Management and Accountability Act.

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne has asked his question.

Mr FAHEY—Mr Speaker, I noted that in a press conference given a short time before...
Thursday, 1 June 2000

question time the member for Cunningham was asked, ‘What did you do when you were in government? What did Labor do when Labor was in government?’ and he said, ‘We followed the processes of the time.’

Mr Tanner—I rise on a point of order on relevance, Mr Speaker: the question was about the minister’s performance and the Auditor-General’s findings about—

Mr SPEAKER—No, the member for Melbourne will resume his seat. The Attorney-General was asked a question about what is a topical matter concerning foreign exchange rates and I invite him to continue.

Opposition members—He’s not here!

Mr SPEAKER—The Minister for Finance and Administration, I beg your pardon.

Mr FAHEY—Mr Speaker, as I indicated, under the Howard government the Financial Management and Accountability Act was brought forward. What that Financial Management and Accountability Act did was make it very clear to all agencies that they had a responsibility at agency level to, in fact, manage all matters that came within their purview, within their responsibility. They have to do that in a responsible and an accountable manner. That includes, of course, each agency being responsible for foreign exchange risk management. Following on from that act, a direction was given to all agencies effective from 1 July, 1999. So for the first 99 years, nothing. When you wanted to get some funding in respect of another currency, you asked the finance department—and I am sure the honourable Leader of the Opposition remembers this—‘Could you please acquire for us the amount we need from the Reserve Bank?’ and the finance department went to the Reserve Bank: they got the money; it was paid. That was the process that went on for 99 years. It went on when the Leader of the Opposition was the Minister for Finance. When the Leader of the Opposition was the defence minister, the same process was in place at that stage. But from 1 July last year the responsibility, including the management of foreign exchange risk, was placed upon all agencies and a direction was given that made it abundantly clear that, for the first time through the Reserve Bank, they could get advice and they were entitled to hedge. I will not embarrass the honourable member for Cunningham by going on about his comment when he was asked as to whether or not the government should hedge at the present time. I certainly do not want to get into that particular area but it was a most interesting response.

The circular was given to all agencies, clear direction was given. When there were discussions with the Auditor-General in respect of the report that was tabled yesterday, the department considered it necessary to further clarify what the arrangements were to reinforce what was said a year earlier, and, in the context of that, a further direction was given. That indicated that the department was continuing to review it, on an ongoing basis, to ensure its completeness; that is, the current directions. It made it clear that agencies should continue to be required to consult with the Reserve Bank on the handling of major foreign exchange transactions.

Mr Cox—Mr Speaker, I rise on a point of order on relevance. The question to the minister was: was he competent to manage the foreign exchange risk in his department?

Mr SPEAKER—The member for Kingston raised a point of order on relevance that is, in fact, not upheld.

Mr FAHEY—I really wonder what the honourable member for Kingston gave by way of advice to former ministers for finance and former treasurers on this particular issue, because for 99 years nothing happened until this government came and gave some clear flexibility and directions. So, Mr Speaker, to come to the second part—

Opposition members interjecting—

Mr FAHEY—Let me just conclude on the Auditor-General’s report in respect of one of the matters which both the department of finance and Treasury indicated they were more than happy to accept as a recommendation. That is, should there be centralised management of this process? Both departments indicated quite clearly that they thought that was worth consideration. I assure you that both I and the Treasurer will examine that thoroughly to the extent that—

Opposition members interjecting—
Mr FAHEY—I will not go back over that. The honourable member for Melbourne then spoke about offshore property management. I can indicate quite clearly that some of the practices referred to in the audit report were practices inherited by the department of finance, and I might say that they were very much put in place from—and referred to—Labor’s days. They related to the exposure that was there on long-term building contracts offshore and the exposure that was there because of the particular financial instruction that was in place. I can say those practices no longer occur and I can say very clearly there is now in place a process—a process for the first time in 99 years—under this government to examine and thoroughly ensure that, as best as one can manage the fluctuations that are constantly there, that is now able to be done. It was not under Labor.

**Business Tax Reform: Implementation**

Mr NEVILLE (3.07 p.m.)—My question is addressed to the Treasurer. Treasurer, would you update the House on progress in implementing the reforms to business taxation.

Mr COSTELLO—I thank the honourable member for Hinkler for his question. I can report to the House that the government is making good progress on implementing business taxation reform. On 1 July the company tax rate will fall from 36 per cent to 34 per cent and, 12 months later, to 30 per cent. In September of last year, capital gains tax liability was cut in half for individuals, that is, individuals need to pay capital gains tax on only half of their gain. In addition, in September last year we simplified and streamlined capital gains tax concessions for small business. We are replacing accelerated depreciation with effective life depreciation. We have introduced incentives for venture capital, particularly US pension funds in Australia. We have fundamentally reformed the taxation of life insurance. We have introduced scrip for scrip rollover relief. We have introduced measures which will allow the refund of unused imputation credits from 1 July, and we now have before the House measures in relation to tax shelters addressing the alienation of personal services income and non-commercial losses. I answered a question from the honourable independent member about that a moment ago. I might have said in that answer that one of the tests was profits in two of five years; I should have said three out of five years.

In addition to that, the Ralph review of business taxation recommended high-level reform, sometimes known as the tax value method, or option 2. The government sees considerable merit in these high-level reforms and has given in-principle support to their introduction. We have set up a group which was chaired by Mr Dick Warburton to discuss the implementation and what would be required in relation to these particular high-level reforms. Mr Warburton—and I pay tribute to his work—presented a report to the government indicating to the government that there was considerable merit in these proposals. He recommended that an extensive educational process be undergone and that the proposals be worked in consultation with business.

The objective would be to progress the practical implementation of this approach such that it could be ready by 1 July 2001. That is the government’s position: to work hand in hand with business, to engage in extensive consultation. We recognised that it would take considerable education. It is a very large project because it changes the nature of what would be considered taxable away from the old concepts of income and capital much more to a new accounting standard which would certainly be simpler, which would be more efficient but would require a great deal of consultation and education for businesses to be able to operate under it. The government continues its work hand in hand with business in relation to these reforms. We will be announcing further steps for consultation and education in the near future so that we can be in a position where we can be ready for the introduction of those measures by 1 July 2001—the earliest period in which those changes would begin to take place.

**Auditor-General’s Report: Commonwealth Foreign Exchange Risk Management Practices**

Mr TANNER (3.10 p.m.)—My question is again to the Minister for Finance and Administration. I refer again to the Auditor-
General’s report in which he describes your approach in these terms:

This devolved and decentralised approach to managing foreign exchange risk solely at the agency level is in marked contrast to normal commercial practice in managing specialised and highly material financial risks.

I refer also to Treasury advice to the Auditor that, due to inadequate central agency guidance, agencies had failed to properly implement the government’s Financial Management and Accountability Act—a point which you effectively conceded in your previous answer. Why have you failed to follow normal commercial practice and failed to implement the principles of your own Financial Management and Accountability Act and thereby cost the taxpayers enormous sums of money as a result?

Mr FAHEY—Again, I welcome the opportunity to respond to the matters raised by the honourable member for Melbourne. I welcome that report. I believe that report is timely. I believe it points out that for many years we had a system in terms of foreign exchange, foreign currency and the management of risk that was simply a case of ‘Purchase it when you need it’ and ‘You get your dividend with the ups and downs on the basis of the Reserve Bank’s trading and the dividend that ultimately they give to the government.’ Clearly, a specific responsibility was given to agencies to manage. Who knows better than the agency itself as to what the forward obligations are in any contracts? Clearly, many of the contracts in Defence are of a long duration. The time from the signing the contract to the delivery of the capital equipment can be a very long time, and frequently it is acquired offshore.

As I have indicated, there is a clear responsibility for each agency to ensure that they manage this risk. There is also an obligation on them to get advice from the Reserve Bank. They also have the flexibility to seek advice elsewhere. So for the first time that is given; it is not a case simply of acquiring it when you need it but of managing the process properly and getting the appropriate advice which is in line with the commercial process. Should there be central agency supervision of this? As I indicated in my last answer, both Finance and Treasury indicated that was worth looking at, and I assure you that both the respective ministers—the Treasurer and I—will have a good look at that to see if there is an additional role that may assist. The simple fact is, as the report itself indicated, that there is a fluctuation up, a fluctuation down, and I noted throughout the report—in fact, if one goes back through history—there was a heck of a lot of support for the Labor budgets of the late eighties and early nineties on the basis of the value of the Australian dollar and the trading of the Reserve Bank. But those days are gone to the extent that there is a capacity to manage now this particular trading, and I assure you this government is doing it much better than its predecessor did.

Industrial Relations: Unfair Dismissal Legislation

Mr RONALDSON (3.14 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would you inform the House of the progress of the government’s unfair dismissal bill currently in the Senate? What barriers exist to the bill being successfully progressed to the benefit of small businesses in my electorate of Ballarat and throughout Australia?

Mr REITH—I thank the member for Ballarat for his question. I think it is very important that we encourage small business to give people a job; and the system of unfair dismissal today does not in, in my view, do that. We have had a lot of evidence made available to us repeatedly that, if the small business community had a complete exemption from the unfair dismissal law, they would go out and give people a job—in fact, 50,000 jobs. It is time that that matter was brought to a head in the Senate.

I welcome the fact that the Leader of the Opposition has said that workplace relations will be an issue at the next election. The last Labor leader who said that was Paul Keating, before the 1996 election, and he specifically mentioned unfair dismissal. He was so embarrassed by his own policy that, during the election, he announced a review of the very system which we have been trying to fix up and have done a lot to, in the time that we...
have been in. But, on each and every occasion, we have been thwarted in the Senate by the Labor Party who again are against the interests of small business and do what the trade union leaders say—and the people who suffer are the 50,000 people who would otherwise have a job.

The Leader of the Opposition says that Labor’s policy would be like Queensland’s. Look at what has happened in Queensland: one of the first things the Beattie government did was remove an exemption for small business from the unfair dismissal law. The impact of that is that, instead of reaching his five per cent target, that decision alone will be one of the factors that continues to see employment stagnate in the state of Queensland. Just to put a practical aspect to this, though, I did get a very interesting letter from a bloke who runs a workplace relations consultancy, I gather, up in the Hunter region.

Mr Howard—Oh! Anywhere near Scone?
Mr REITH—Near Scone, I presume—up in that area. He had 43 small businesspeople come in to his business recently to talk about workplace relations, and about three-quarters of them were former trade union members who have gone into small business. He was asking them about the changes that they thought were necessary to help them run their businesses and create more jobs. This is what he said:
The 43 firms present collectively would immediately employ up to 57 people if the fear of an unfair dismissal could be removed.
It is about time that the Labor Party realised the importance of small business to creating jobs. It is no good saying that you want to see jobs created and then voting against the things which would help small business do that very task—that is, to create jobs for the unemployed. We are committed to it. It is going to be an issue, and it will be an issue in Scone and in every hamlet and regional area around the country. It is another difference between us: we are for small business, and the Labor Party is for the trade union leadership.

Department of Defence: Project Costs
Mr MARTIN (3.17 p.m.)—My question is addressed to the Minister for Defence. Minister, following the answer given by your colleague the Minister for Finance and Administration, can you tell the House whether you have ensured that the Department of Defence has put in place its own financial management procedures, as stipulated by the Financial Management and Accountability Act 1997, to protect against severe blow-outs in project costs associated with foreign exchange fluctuations? Minister, why is it that the Australian National Audit Office report released yesterday in fact indicated that such procedures are not in place in your department and that, as a result, you will see further cost blow-outs in defence acquisition project costs?

Mr MOORE—The Department of Defence, when it pays accounts overseas, does so in accordance with the procedures that have been carried out for very many years. Any losses or wins are no loss to the defence department. Therefore, the assumption that you are making—that certain reductions in projects were the cause of exchange rate blow-outs—is totally incorrect. While we are on finance—because you are the people who raised this matter—in the last six years of the Labor government, you dropped defence spending as a percentage of GDP from 2.3 per cent to 1.8 per cent. You did nothing about personnel, you did nothing about projects, you did nothing about acquisition, and you did nothing about managing the hard things in Defence: you walked right away from them. At the same time as you dropped funding for defence, you encouraged acquisitions and personnel which you could not afford; and that is one of the reasons the department is in such a mess.

Tertiary Education: Higher Education Workplace Reform Program
Dr SOUTHCOTT (3.20 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Minister, would you inform the House of the progress of the Higher Education Workplace Reform Program? Are you aware of any impediments to flexible enterprise bargaining? What is the government’s response to these impediments?

Dr KEMP—I thank the honourable member for Boothby for his question. The gov-
ernment has made available some $259 million over three years to the universities under the workplace reform program. The University of Melbourne, the University of Queensland and Monash University have each been awarded $4 million under this program, for flexible agreements that they have recently entered into. I congratulate these universities. Unfortunately for students, yet again the National Tertiary Education Union, the NTEU, supported by its bedfellows in the Labor Party and by the Leader of the Opposition, are actively campaigning to undermine the capacity of the universities to offer improved services to students and the flexibilities they need to meet the challenges of this century.

The NTEU has insisted on pattern bargaining; it is opposed to local level agreements, which are designed to meet the needs of staff and students. I would like to bring to the attention of the House the statement by the Vice-Chancellor of Southern Queensland University, Peter Swannell, who has written to his staff saying the following:

The action of the national executive of the NTEU is totally deplorable. All parties in the single bargaining unit have negotiated in good faith, in cordial spirit and achieved a mutually acceptable outcome. This is in the exact spirit of a local enterprise agreement. I will not allow this excellent outcome to be frustrated by a national executive led by Mr Graeme McCulloch in Melbourne.

This is the union that boasts on its web site the fact that it has banned students from sitting examinations, that it has conducted 24 days of strike action at universities and rolling strikes during this year, doing huge damage to these institutions and their capacity to meet the needs of students. Why is the Labor Party silent about the actions of the NTEU? One of the reasons is the 10 Labor members and senators who are former union officials, including the member for Brisbane over there, a former official of an education union; the member for Burke up there, the continual interjector; Senator Carr, spreading the union line in the Senate estimates committees; and Senator Faulkner. All of them former education—

Mr Rudd—Mr Speaker, I raise a point of order. This is the most tedious act of repetition—

Mr Rudd interjecting—

Mr Speaker—What is your point of order, member for Griffith?

Mr Rudd—from this minister this year.

Mr Speaker—The member for Griffith is warned.

Mr Rudd interjecting—

Mr Speaker—The member for Griffith has already been warned. He has just raised what he knew to be an entirely frivolous point of order. I will hear the member for Griffith.

Mr Rudd—Mr Speaker, my question to you on this question is: is there not a standing order which governs this question of tedious repetition?

Mr Speaker—The member for Griffith will resume his seat.

Mr Snowdon interjecting—

Mr Speaker—The member for the Northern Territory is warned! I indicate to the member for Griffith that, as he is aware, he is obliged if he has a point of order to raise the point of order under a specific standing order. To simply seek the attention of the chair during question time requires indulgence or some other action. That was the reason I took the action I took. He will resume his seat.

Mr Rudd interjecting—

Mr Speaker—The member for Griffith! I will, in an effort to be even-handed about this, indicate that because I had not called him he was not heard. I will now call him.

Mr Rudd—Mr Speaker, I rise under standing order 85, which specifically relates to being tedious and repetitious. My point of order is that this particular point referring to the number of Labor members who have worked previously for unions has been made by this minister in this chamber on at least a dozen occasions that I have been here.

Mr Speaker—I have heard the member for Griffith. He is aware of his status in the House. The minister is in fact in order, and I call him.

Dr Kemp—These former education union officials of course will not stand up for their universities because they know that the union is critical to their election strategy.
They invite the union into their offices, they use taxpayer funded resources to put out propaganda on behalf of the unions. This is very clear. I have here a press release from Carolyn Allport, the National President of the National Tertiary Education Union.

Mr O'Keefe—Mr Speaker, I rise on a point of order under standing order 85. I read to you the words, which state that—

Mr SPEAKER—No, the member for Burke will resume his seat.

Mr O'Keefe—No, Mr Speaker, I am entitled to read you the words.

Mr SPEAKER—The member for Burke will resume his seat. He has raised a point of order under a standing order with which I am not only familiar but on which I have already ruled. The member for Burke is required to resume his seat! The member for Port Adelaide.

Mr Sawford—Mr Speaker, standing order 85—

Mr SPEAKER—The member for Port Adelaide will resume his seat. The member for Port Adelaide will be aware that he would have facilitated the chair had he referred to standing order 145, which is specifically a standing order on relevance. On this issue I have already ruled, and I call the minister.

Mr O'Keefe—Mr Speaker, I raise a point of order. In relation to your ruling then to the member for Port Adelaide, the wording of standing order 85 is:

... a Member, who persists in irrelevance, or tedious repetition ... We have all been taking our points of order under those terms.

Mr SPEAKER—The member for Burke will resume his seat. I have ruled on both standing orders 85 and 145. One could observe that some tedious repetition is occurring on both sides of the House. I call the minister.

Dr Kemp—I was asked about impediments to the workplace reform program within the universities. One of the greatest impediments is the action of the National Tertiary Education Union and its alliance with the Australian Labor Party. I was just drawing the House’s attention to the fact that the National Tertiary Education Union is being actively assisted by the members of the Labor Party, the former union officials, to send out their propaganda. I have here a media release from the National Tertiary Education Union sent out on 9 May 2000, intended to go the Sydney Morning Herald and faxed out from the office of none other than J.E. Gillard MP, former union lawyer, using taxpayers’ money to support the activities of the National Tertiary Education Union. So we have here the direct alliance between the union and the Labor Party. If the Leader of the
Opposition had the strength to stand up to the unions and declare the independence of the Labor Party, our universities might be able to get on with their enterprise bargaining and help the students to get the services they need.

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

MINISTER FOR FINANCE AND ADMINISTRATION AND MINISTER FOR DEFENCE

Motion of Censure

Mr TANNER (Melbourne) (3.31 p.m.)—I seek leave to move:

That this House censures the Minister for Finance and Administration and the Minister for Defence for:

(1) their failure to put in place any policy or procedures governing management of foreign exchange risks or Commonwealth transactions;

(2) their incompetent management on Commonwealth finances, in particular their failure to appropriately manage foreign exchange risks associated with external transactions;

(3) their failure to properly implement the requirements of the Financial Management and Accountability Act 1997;

(4) their failure to prevent the loss of up to $3 billion of taxpayers’ money as a result of their incompetent management of Commonwealth finances;

(5) their failure to take steps to protect the Commonwealth finances as are routinely undertaken by State Governments and major companies; and

(6) their failure to properly manage the finances of the Department of Defence, thereby compromising Australia’s defence capability.

Perhaps the paramount and most important function of this parliament is to scrutinise the expenditure by the executive—

Motion (by Mr Reith) put:

That the member be not further heard.

The House divided. [3.37 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes………… 76
Noes………… 61
Majority……… 15

AYES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Brough, M.T. Cadman, A.G.
Cameron, R.A. Causley, I.R.
Charles, R.E. Costello, P.H.
Downer, A.J.G. Draper, P.
Elson, K.S. Entsch, W.G.
Fahey, J.J. Fischer, T.A.
Forrest, J.A.* Gallus, C.A.
Gambaro, T. Gash, J.
Question so resolved in the affirmative.

Mr SPEAKER—Is the motion seconded?

Mr MARTIN (Cunningham) (3.41 p.m.)—I second the motion. Mr Speaker, $15,000, on Deutsche Bank advice, and $3 million gone missing—

Motion (by Mr Reith) put:

That the member be not further heard.

The House divided. [3.42 p.m.]

Mr SPEAKER—Mr Neil Andrew

AYES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Brough, M.T. Cadman, A.G.
Cameron, R.A. Causley, I.R.
Charles, R.E. Costello, P.H.
Downer, A.J.G. Draper, P.
Elston, K.S. Entsch, W.G.
Fahey, J.J. Fischer, T.A.
Forrest, J.A. * Gash, J.
Gambaro, T. Haase, B.W.
Georgiou, P. Hawker, D.P.M.
Hardgrave, G.D. Howard, J.W.
Hockey, J.B. Hull, K.E.
Hawker, D.P.M. Jull, D.F.
Kelly, D.M. Kemp, D.A.
Katter, R.C. Lieberman, L.S.
Kelly, J.M. Lloyd, J.E.
Kemp, D.A. May, M.A.
Lawler, A.J. McGauran, P.J.
Lieberman, L.S. Moylan, J. E.
Lindsay, P.J. Nehl, G. B.
Lloyd, J.E. Neville, P.C.
Lyle, M.B. Prosser, G.D.
May, M.A. Reith, P.K.
McArthur, S * Ruddock, P.M.
McGauran, P.J. Secker, P.D.
McGauran, P.J. Somlyay, A.M.
Moylan, J. E. St Clair, S.R.
Neville, P.C. Sullivan, K.J.M.
Neville, P.C. Thomson, A.P.
Nugent, P.E. Thomson, C.P.
O’Keefe, N.P. Tuckey, C.W.
Price, L.R.S. Vale, D.S.
Ripoll, B.F. Wash, M.J.
Rudd, K.M. Worth, P.M.
Sciaccia, A.C. Wilkie, K.
Sidebottom, P.S. Wilmer, R.
Snowdon, W.E. Wollaston, J.O.
Tanner, L. Wooldridge, M.R.L.

NOES

Adams, D.G.H. Beazley, K.C.
Bevis, A.R. Brereton, L.J.
Burke, A.E. Byrne, A.M.
Cox, D.A. Crean, S.F.
Crosio, J.A. Danby, M.
Edwards, G.J. Ellis, A.L.
Emerson, C.A. Evans, M.J.
Ferguson, L.D.T. Ferguson, M.J.
Gerick, J.F. Gibbons, S.W.
Gillard, J.E. Griffin, A.P.
Hall, J.G. Hatton, M.J.
Hoare, K.J. Irwin, J.
Horne, R. Kerr, D.J.C.
Jenkins, H.A. Lawrence, C.M.
Latham, M.W. Macklin, J.L.
Lee, M.J. McClelland, R.B.
Martin, S.P. McLeay, L.B.
McFarlane, J.S. Melham, D.
McCullough, R.F. Mossfield, F.W.
Morris, A.A. O’Byrne, M.A.
Murphy, J. P. Price, L.R.S.
O’Connor, G.M. Ripoll, B.F.
Plibersek, T. Rudd, K.M.
Quick, H.V. Sciaccia, A.C.
Roxon, N.L. Sidebottom, P.S.
Sawford, R.W * Snowdon, W.E.
Sercombe, R.C.G * Tanner, L.
Smith, S.F. Wilkie, K.
Swan, W.M. Wilmer, R.
Thomson, K.J. Wollaston, J.O.
Zahra, C.J. Wooldridge, M.R.L.

PAIRS

Williams, D.R. Fitzgibbon, J.A.
Schultz, A. Wilton, G.S.
Bishop, J.I. Kerner, C.
* denotes teller

AYES

Beazley, K.C. Brereton, L.J.
Baird, B.G.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Draper, P.
Entsch, W.G.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.
Howard, J.W.
Hull, K.E.
Jull, D.F.
Kemp, D.A.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Moylan, J. E.
Nehl, G. B.
Neville, P.C.
Prosser, G.D.
Reith, P.K.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Wash, M.J.
Worth, P.M.

NOES

Beazley, K.C. Brereton, L.J.
Baird, B.G.
Bishop, B.K.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Draper, P.
Entsch, W.G.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.
Howard, J.W.
Hull, K.E.
Kemp, D.A.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Moylan, J. E.
Nehl, G. B.
Neville, P.C.
Prosser, G.D.
Reith, P.K.
Ruddock, P.M.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Wash, M.J.
Worth, P.M.
Thursday, 1 June 2000 REPRESENTATIVES


Danby, M. Ellis, A.L. Evans, M.J. Ferguson, M.J. Gibbons, S.W. Griffin, A.P. Hatton, M.J. Hollee, C. Irwin, J. Kerr, D.J.C. Lawrence, C.M. Macklin, J.L. McClelland, R.B. McLeay, L.B.


PAIRS

Williams, D.R. Fitzgibbon, J.A. Schultz, A. Wilton, G.S. Bishop, J.I. Kernet, C.

* denotes teller

Question so resolved in the affirmative.

Original question put:

That the motion (Mr Tanner’s) be agreed to.

The House divided. [3.44 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes…………….. 61

Noes…………….. 76

Majority……….. 15

AYES


Beazley, K.C. Berteon, L.J. Byrne, A.M. Crean, S.F. Danby, M. Ellis, A.L. Evans, M.J. Ferguson, M.J. Gibbons, S.W. Griffin, A.P. Hatton, M.J. Hollee, C. Irwin, J. Kerr, D.J.C. Lawrence, C.M. Macklin, J.L. McClelland, R.B.


NOES


PAIRS

Fitzgibbon, J.A. Wilton, G.S. * denotes teller

Question so resolved in the negative.
PAPERS

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

MATTERS OF PUBLIC IMPORTANCE

Workplace Relations: Reform

Mr SPEAKER—I have received letters from the honourable member for Melbourne and the honourable member for Bradfield proposing that a definite matter of public importance be submitted to the House for discussion today. As required by standing order 107, I have selected the matter which, in my opinion, is the most urgent and important—that is, that proposed by the honourable member for Bradfield, namely:

The importance of continuing workplace reform in light of last night’s Opposition policy announcements which threaten the growth of jobs and real wages for Australian workers.

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—

Dr NELSON (Bradfield) (3.49 p.m.)—I am surprised that the honourable members of the opposition did not rise in support of this matter of public importance because last night at the Labor Club in Canberra the Leader of the Opposition said that this would be one of the defining issues in next year’s federal election campaign. There are a number of issues that really define the sort of country that we are and certainly define the principal differences between the government, the coalition parties and the opposition parties, and this is indeed one of them.

On 22 February this year, Alan Kohler, writing in the Australian Financial Review, identified industrial relations as the major policy battleground for the coming year. The manufacturing and construction unions’ Campaign 2000 in support of pattern bargaining will spill over into next year. We now know that the left-wing unions have been joined by the right-wing unions, supported by the ACTU and of course now by the Australian Labor Party. It is rather ironic that it was a Labor government, including the now Leader of the Opposition, that introduced enterprise bargaining in the early 1990s, with Bill Kelty and the ACTU then locking the unions in as part of the accord. Bill Kelty made some very interesting remarks in 1991. He said that the union movement would be in support of a more decentralised wage fixing system. He said:

A more decentralised wage fixing system will put the spotlight back on the only place where Australia’s real economic battle will be won—in Australian workplaces.

Nothing has changed. In fact, if anything, it is far more important today that the economic battle to modernise this country, enable us to compete with the rest of the world and ensure jobs for everyday Australians will be won or lost in the workplace. In 1992, in supporting Mr Kelty, the then Prime Minister, Mr Keating, said:

When we became a nation in 1901, one of the first things we did was to set up a Commonwealth tribunal which could exercise its power to settle disputes—a power which rapidly became one of settling wages and conditions directly or by example for most of Australian employees. It was a system which served Australia quite well I think, but the news I have to deliver today for those of our visitors who still think Australian industrial relations is run this way, is that it is finished. Not only is the old system finished, but we are rapidly phasing out its replacement, and have now come to do things in a new way.

That was the Labor Party in 1992. Many of those same members sit on the opposition benches today, and last night we heard the Leader of the Opposition announce an industrial relations policy that will very much take us back to the future. In 1993, former Prime Minister Keating made some other remarks which were important in considering this matter of public importance today. He said to the Australian Institute of Directors in April 1993, in support of the enterprise bargaining system that the then government supported:

It is a model which places primary emphasis on bargaining at the workplace level within a framework of minimum standards provided by arbitrary tribunals.

That is very much consistent with the policies that have been implemented and sup-
ported by this government. He went on to say that the then government would ensure that the industrial relations climate would be determined by agreements worked out by the employer, the employees and their union and that these agreements would predominantly be based on improving the productive performance of enterprises for both employers and employees. The same sorts of things could be said, and are said, by any member of this government on any day of the week since we came to power in 1996. But the Leader of the Opposition last night took the Australian Labor Party back to the times at the turn of the century referred to by former Labor Prime Minister, Mr Paul Keating, and in doing so risked the future of our country.

Labor have said that they will abolish the right to have individual contracts made under the legislative scheme. This means that Australian workplace agreements will be abolished by the Australian Labor Party. By the time the federal election is held, that effectively means that 150,000 or 160,000 workers in this country—approximately the same number of people estimated by the police who went across the Sydney Harbour Bridge last Sunday—will have the agreements they have negotiated abolished by a Labor government, led by the current Leader of the Opposition. The number of workplace agreements is growing at 3,000 a month. So that means that the choice of workers and employers to negotiate conditions which are appropriate to the circumstances of their families, the workplaces in which they work and the place of that industry in an international context will no longer be available. It also means that individual agreements that are made in the workplace, common-law agreements, will be able to be overridden by union agreements. This is a reversal, again, of the Australian Labor Party’s own policy that they took to the election in 1998 when they promised to keep individual agreements in the system but place them under the supervision of the Australian Industrial Relations Commission rather than of the Office of the Employment Advocate.

The next thing we heard last night was that Labor will be abolishing the Office of the Employment Advocate. That means that workers and their employers, low income workers and people who are supporting families, those who have been able to negotiate workplace agreements with their employers, those who rely on the Office of the Employment Advocate to protect their rights against compulsory unionism and their right to make an agreement without coercion, will be left out in the cold. The simple reason why this has occurred is that the Leader of the Opposition’s policies are written for him and enunciated by the ACTU. The Labor Party, we now know, will also be giving greater support and more power to the Australian Industrial Relations Commission, but only on the terms that are prescribed for the Australian Labor Party by the ACTU. Labor is going to adopt a policy that will support industry-wide strikes, and that was not the Labor policy between 1993 and 1996, and giving more power to the Industrial Relations Commission on trade union terms is also what the ACTU, not surprisingly, has asked for from the Labor Party.

These things superficially seem quite attractive, and to the everyday Australian listening to them they would probably wonder why there might be reason for concern. But the Labor Party also says that it will legislate to require so-called good faith bargaining. It might sound noble, but at law—as employers in New Zealand are finding out the hard way, with a Labor government not surprisingly—employers will have an onus to make agreements with unions if unions demand that unless employers can show good cause why not. It also means that, through the course of negotiations, employers will have to open up their financial accounts and corporate strategies to union officials. That is hardly conducive to the creation of wealth, the taking of risks and the employing of Australians. It is quite wrong for the Leader of the Opposition to suggest that this is some kind of new policy for a new century. Labor in the early 1990s legislated a good faith bargaining provision, but when it was not interpreted by the Industrial Relations Commission in the way the ACTU wanted it to be it was not widely used.

Labor also says that one of the new powers that it is allegedly giving to the Industrial
Relations Commission is the power to arbitrate workplace agreements between unions and employers, which I would suggest to honourable members is a ridiculous idea. The very concept of an agreement is that the parties actually agree, not having a third party to determine what the nature of that agreement might be. Also, the Labor Party has said that it will allow bargaining at the industry level, not just at the enterprise level. That means that Labor will allow the right to strike to apply across an entire industry. How Labor thinks that legal industry-wide strikes are in the national interest should surely be beyond any rational thought. The sorts of policies that we heard enunciated in the headland—or perhaps headless—speech last night are the sorts of policies that take us very much back to the turn of the last century. Apart from defining some significant policy differences between the two sides of politics, the Leader of the Opposition has really exposed himself and his party for what they are—very much controlled by the Australian Council of Trade Unions. I was reading Inside Canberra of 25 February this year, and I saw that Mr Doug Cameron, who is the National Secretary of the AMWU, said:

It is a simple fact that the ALP cannot survive or win government without the support of trade union members.

Then when you further consider that 55 per cent of the parliamentary caucus of the Labor Party are former union delegates or officials of some sort, and that some $7½ million was given by unions to the Australian Labor Party through 1998-99, it is unsurprising that the Leader of the Opposition, Mr Beazley, has found it impossible to restrain the pressure placed upon him by the ACTU. Unsurprisingly, the remarks made last night by the Leader of the Opposition were welcomed by the President of the ACTU.

Mr Hardgrave—She wrote it.

Dr NELSON—It is probably not surprising because, if she did not write the remarks, she is certainly funding the people who are writing them and certainly funding the puppets who are enunciating the policy.

The other important point that is exposed by the policy announced by Labor on workplace relations is the fundamental flaw of weakness in the Leader of the Opposition. All of us at different points in our lives face moments of truth. We go through periods that challenge the very way we think, we go through periods where we wonder whether in fact we are going to survive and they are periods or events which define the sorts of people we are and the organisations of which we are members or, in this case, which the Leader of the Opposition professes to lead. Last night, the Leader of the Opposition said to the Australian people that, if his party were in government, it would completely capitulate to the people who run the trade union movement in our country.

Contrasts are often made between different leaders. Many members of the opposition are frequently lauding the leadership qualities of the British Prime Minister, Mr Tony Blair. In 1997, in the space of one week, the now Leader of the Opposition in Australia gave a speech to the ACTU and reminisced with great fondness about the late 19th century railway strikes and the shoulder-to-shoulder campaigns of unions in Queensland. But, within that same week, the British Prime Minister addressed his trade unions in quite different terms. He talked about the modernisation of Britain and said:

The labour market today is completely different in substance from what it was in the earlier part of the 20th Century. It is light years away from that, but distant even to what it was 10 or 15 years ago. ... There is a modern way and that way is about building a true enterprise economy where we face up to the reality that we must be adaptable, flexible and open to change, but we must meet its challenge by bringing out and harnessing the talent, creativity and potential of all people.

He said—and the Leader of the Opposition ought to listen to this:

I want the trade unions and the trade union movement to be part of a fight for competitiveness. You should remember in everything that you do that fairness at work starts with a chance of a job in the first place because if we as a government and you as trade union members don’t make Britain a country of successful businesses, a country where people want to set up and expand, and a country that has the edge over our competitors, then we are betraying those whom we represent. Let us build unions that people join not out of fear of change or exploitation but because they are committed to success.
Finally, let us not fear flexibility in the right sense of the word, and fairness as if they were opposites, but if you cannot have flexibility with injustice or fairness without rigidity.

And most importantly:

We are not going back to the days of industrial warfare, strikes without ballots, mass and flying pickets and secondary action.

That is precisely what the Leader of the Opposition and the Australian Labor Party are offering this country. The reason we have productivity rates that are three times what they were when Labor were in government is that we have a more flexible labour market. We have also seen reforms in transport, energy, communications, taxation and regulation and a whole range of areas that make this country reasonably competitive. We have seen over 700,000 new jobs created since the Howard government was elected, a seven per cent real increase in real wages for low income earners versus a five per cent reduction through the last five years of the federal Labor government. And, in the decade to 1984 when they averaged 3½ per cent annual growth and 160,000 jobs a year, Labor managed to increase unemployment from 670,000 to 840,000 because their policies and their philosophy failed.

There was some comment made during the debate about AWAs—and that was not totally unexpected. I will make a few observations about that because there have been a number of opportunities today to speak on the issue. The minister proclaimed originally that these AWAs were going to cover 10 per cent of the work force by now. That is about one million people. At the moment, he is about 920,000 people short of it.

Mr BEVIS (Brisbane) (4.04 p.m.)—Yesterday I commented that the member for Bradfield would do well to stick to health matters. I amend that slightly because, as we remember, he actually has a bit of form in industrial relations. He used to run one of the strongest tight-knit unions in the country, the AMA. I remind him that the AMA were in town last week to oppose the government’s legislation on pattern bargaining. The member for Bradfield should remember that because, when he was running the AMA, they involved themselves in pattern bargaining from one end of the country to the other. When he ran the AMA, he thought it was a good deal to look after the doctors—a very underprivileged and set-upon group of people in our community, hard done by, who find it difficult to make ends meet—and he engaged in pattern bargaining.

Today, the AMA supports pattern bargaining. Last week they were here before the Senate supporting pattern bargaining. When the second-wave legislation was before the Senate inquiry, the AMA also supported it. One of the things we discover about the member for Bradfield is that he has no difficulty in changing his spots to suit the surroundings. When he was wearing his AMA hat, he was out there supporting all these opportunities for the underprivileged doctors in Australia to get those benefits. Now, because he is on the Liberal Party’s workplace relations committee, he thinks he should toe the line and get a few brownie points with the minister at the table, the Minister for Employment, Workplace Relations and Small Business. Frankly, it is a fairly transparent ruse.

There was some comment made during the debate about AWAs—and that was not totally unexpected. I will make a few observations about that because there have been a number of opportunities today to speak on the issue. The minister proclaimed originally that these AWAs were going to cover 10 per cent of the work force by now. That is about one million people. At the moment, he is about 920,000 people short of it.
Mr Hollis interjecting—

Mr BEVIS—Indeed, as the member for Throsby points out, that is the usual tactic of this minister—to introduce a bill in the last hour before parliament rises and then try to ram it through. The government did it again today with the bill that was pushed through the parliament before question time. The bill concerning AWAs was put into parliament at 5 o’clock—5.01 p.m., Hansard records. Yet the ACCI’s press release—saying what a great thing the bill was—was on my fax machine before 4 o’clock. More than an hour before the minister even stood up in this place, the ACCI had the press release out saying what a great deal the bill was. We are talking about a government, which makes no pretence of being balanced or even-handed in its approach to industrial relations, unashamedly out there, looking after the top end of town. As AWAs have been raised, let me say that they have been in existence for about 3½ years. Yet we have had about 96 years of operation—

Mr Reith—Since February 1997.

Mr BEVIS—The minister says it was February 1997—it is a little bit short of 3½ years.

Mr DEPUTY SPEAKER—The member for Brisbane will ignore the interruption by the minister, and the minister will be silent.

Mr BEVIS—We have had an industrial relations system legislated in the Commonwealth for about 96 years. For 96 years, this nation has prospered and the workers of the nation have shared in that prosperity—without the benefit of these glorious AWAs, which no-one wants; less than one per cent of the population are on them. The government would have us believe that because the Labor Party will have none of it—as we said originally in 1996—the whole world is going to fall apart. They would have us believe that because the Labor Party do not support these individual contracts—held by less than one per cent of the population—that will somehow destroy the productivity of the world as we know it.

The truth is that AWAs have been dropped into the industrial relations fabric of Australia by this government and this minister in an attempt to drive down the bargaining position of ordinary Australian workers. You do not need to have a PhD in industrial relations and law to understand that. Any worker knows that, if you are in a situation of bargaining with your employer and you are there by yourself to negotiate your conditions, your bargaining power is nil. Workers of Australia understand that. They do not need lawyers and academics to tell them. But just in case the minister needs a lawyer or an academic to tell him, I will quote for him from two respected authorities—Joe Catanzariti and Mark Baragwanath. They have written a publication called The Workplace Relations Act 1996, which is on this government’s act. They are respected legal authorities in industrial relations, and indeed one of them works for the Prime Minister’s old alma mater—his old legal firm. These people do a lot of work across the industrial relations spectrum, not least of all for the top end of town. In their book they said this about AWAs:

In a situation where the agreement is with an individual employee, that employee has virtually no bargaining power.

So here, for the benefit of the minister, we have people who do have PhDs in the area to explain what every Australian understands to be the case: his AWAs are a crock. His AWAs actually ensure that workers of Australia lose their entitlements. As we pointed out in question time today, the statistics are clear. In relation to wage increases, people on AWAs are 1.1 percentage point worse off—3.3 per cent as against 4.4 per cent—so they are about a third worse off in gains over the last year.

Mr Reith—What is the 4.4 per cent?

Mr BEVIS—The 4.4 per cent applies to union collective agreements.

Mr DEPUTY SPEAKER—The minister will remain silent. He will have his turn in a moment.

Mr BEVIS—People on individual contracts that this minister has put in place and that he wants to defend so vigorously—and that no-one else in Australia wants—actually get second-rate conditions. He would have us believe that they want the freedom to go out there and get less money, that they actually
do not want the protection of collective bargaining, that they do not want an independent umpire, that they want to take up the minister’s offer of freedom to reduce their conditions of employment. What an absolute nonsense! Everyone in Australia knows why that scheme was put in place. It was put there to drive down the safety net conditions of ordinary Australian workers and enhance the leverage of employers. That may sound harsh and unreasonable, but let us have a look at the sentiments of this government and this minister. Two years ago in Perth, Minister Reith addressed a business lunch, attended by his mates, to tell them how he viewed the world. Some people have heard this already today, but I will repeat it. He said:

Never forget the history of politics and never forget the side we’re on. We’re on the side of making profits. We’re on the side of people owning capital.

Just to drive the point further, just so that people did not misunderstand that when it comes to industrial relations he is on the side of the boss, the employer, at every opportunity, subsequently he was reported as saying:

People have got to stand up to unions and we [the government] will support them. All you have to do is pick up the phone and we will support you.

So gone are the days when government saw its role as maintaining balance in the system and establishing a framework with an independent umpire—that is all gone. We now have a minister who, when he had the opportunity, was quite happy to spend taxpayers’ money to get consultants reports on how to get the savage dogs and balaclavas on the wharves. He was quite happy to indulge in, and encourage, that. There is an excellent book that has been published on that that I commend to all members and to the public, but I understand that, according to this afternoon’s news reports, somebody has put an injunction on the book. It is certainly a book worth reading because it exposes the direct involvement of this minister and the office that he is responsible for in the goings-on during that dispute, which turned into a national disgrace and a fiasco.

Let me deal with a couple of matters of substance that arise out of this. The government would have us believe that these issues that they raise in the MPI somehow affect intricately the heart and soul of Australia’s economic performance. An interesting piece of research has been done on that by your mates at Flinders University.

Mr DEPUTY SPEAKER—They are not my mates. Address your remarks through the chair.

Mr BEVIS—Indeed, Mr Deputy Speaker. The Flinders University study published in April 1998 looked at the international experience of different industrial relations systems around the world. The study concluded:

The most recent evidence suggests no statistically significant relationship between measures of macro-economic performance and different types of bargaining systems...

It does not matter whether you have a centralised system, a decentralised system, one that is heavily union oriented or one that is not. There is no identifiable difference as to how that affects the economic wellbeing of the nation. They made the qualification:

... with the exception that the centralised systems produce less earnings inequality.

If you have a Labor style system you actually have less earnings inequality and people are treated more fairly. That research was done at a university where the minister would find great comfort. Let me tell the House who commissioned the research. It was commissioned by a group not normally known for their support of organised labour. That research was commissioned by the Australian Mines and Metals Association, the employer group that makes up the mining industry of Australia, amongst whose number are a group of people who are not all that keen on any unions. When they went out and commissioned research from a group of academics—a group of academics who are usually seen as being more on the right of this debate—unfortunately they still came up with the facts. This is a problem for this government.

They had the same problem with the courts. They have stripped away the power of the Industrial Relations Commission. They have ensured that the commission is knee-capped and not able to deal with disputes. You can have a three-year running dispute in
the Hunter Valley and that is okay. You can have a five-month lockout at ACI and that is fine. You can have a seven-month lockout at Pakenham meatworks and that is fine. I would be interested to hear the minister’s response to that. He has an opportunity now. We have gone through those lockouts without this minister raising one word of concern or criticism. A seven-month lockout of workers at Pakenham does not warrant a comment from this minister.

At the moment there is a three-month lockout of workers at Joy Manufacturing in the electorate of Throsby and there has been no criticism from this minister. Can anyone in this House or in this nation imagine the response from Minister Reith if any union—it does not matter which union—anywhere in Australia hopped up today and said that they were going to have a three-month strike. They would be guaranteed to have this minister and this government screaming—

Ms Gillard—Squealing.

Mr BEVIS—squealing from the pig pen in the case of the minister. This government would be viciously and publicly attacking those people. The government actually has a very clear double standard in all of this. The government has a clear record in these matters: whenever there is a dispute that might have been brought on by unions it should not go for more than a day or two. There is recent evidence of that in the construction industry in Victoria. That dispute was not at the end of its first week before this minister was screaming blue murder about what had to happen. A union has a dispute for a week or two and the minister believes there needs to be intervention, but a company can lock its workers out for seven months and we do not get a beep out of him; not a squeal. We get nothing from him. He has an opportunity now to set that record straight and tell the parliament what he thinks of his mates who have gone around conducting these militant lockouts for prolonged periods. Tell us what you think of that and we might be able to set the record straight.

An editorial in the *Mercer-Melbourne Institute Quarterly Bulletin of Economic Trends*, published at the start of last year, looked at the minister’s second wave of reforms and stated:

... further IR reform is unlikely to result in a significant reduction in unemployment.

This is not a group of people known for their support of the left side of politics. This is not about economics. This is not about productivity. This is about this government’s ideological obsession. *(Time expired)*

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) *(4.19 p.m.)*—I appreciate the opportunity to join with my colleague the honourable member for Bradfield, Dr Nelson, in speaking about the importance of continuing workplace relations reform in the light of last night’s opposition policy announcements which threaten the growth of jobs and real wages for Australian workers. This is a very important matter. This really is a matter of great public importance because the statements made by the Leader of the Opposition herald the new policy of Labor which is to change the way in which people at work can settle arrangements for the benefit of both our businesses and employees. The thing that was missing from the speech by the shadow minister, a former trade union official, was any reference to the living standards of Australian workers. At no stage did he relate what his policy was and the impact that would actually have on workers.

Mr Bartlett—He’s afraid to.

Mr REITH—He is afraid to, as the honourable member for Macquarie said. That is because when you look at what has happened in recent years with the changes introduced by the coalition government, the fact of the matter is that workers are unquestionably better off as a result of the policies that we have introduced. What a coincidence it was that, on the day that the Leader of the Opposition made his first policy pronouncement for the next election on behalf of the ACTU, I was at Scone in country New South Wales helping the workers that the Labor Party has refused to help. I spoke to those workers and they wanted to know why it was that the Labor Party that claimed to represent workers had abandoned them in their very hour of need. I do not have an answer to that question. I do not know why it is that the Labor
Party this week has been unable to stand up for a set of changes that would actually improve the lifestyle, the living standards and the job prospects of Australian workers.

Fran Bailey—It is a great irony.

Mr REITH—It is a great irony. You can understand their embarrassment when you look at the figures. These are official figures. They cannot be counteracted, because they are the official figures from the Australian Bureau of Statistics and other official sources. Let us look at what has happened to workers and the conditions for workers in the time that the coalition has government has been in office.

Government members—They are better off.

Mr REITH—They are better off, but I think the figures speak for themselves. When Labor was in, real aggregate wages growth during the time of the ALP-ACTU accord, from 1983 to 1996, was 0.4 per cent per year. Under the coalition, from 1996 to the year 2000, wages growth has not been 0.4 per cent; it has been 2.6 per cent, a significant increase. How many jobs have there been? In Labor’s last six years 399,800 jobs were created, but only 27,100 were full-time jobs. In the time that we have been in office, which is a shorter period of time, since March 1996, there have been 699,600 new jobs. So their record was nearly 400,000, and ours is 700,000. They had 27,000 full-time jobs; we have had 381,200 full-time jobs.

Mr Quick—Mr Deputy Speaker, I draw your attention to the state of the House.

Mr DEPUTY SPEAKER (Mr Jenkins)—Quorum required?

Mr REITH—Mr Deputy Speaker, I think it has been called off by the Leader of the Opposition.

Mr Beazley—I haven’t called it off.

Mr REITH—He has suggested that it be called off. Is he calling off the quorum or not?

Mr DEPUTY SPEAKER—Order! The honourable member for Franklin has drawn my attention to the state of the House.

Mr REITH—Mr Deputy Speaker, my point of order is that the Leader of the Oppo-
the Blackbird Cafe they abandoned AWAs and when we ring them up we find out they haven’t. It is just like saying that AWAs cost $500 and when we go to the official record we find it is not $500; it is $50. What is the record on strikes? When Labor were in for their 13 years they averaged 190 working days lost per 1,000 employees each year. What is it today? It is 92, half that number. They are the strikes experts. It is true, as the Labor leader said last night, that we have seen a bit of a pick-up in strike activity in 1999. Where do we find those strikes? They are in Labor states, in the public sector.

Mr Beazley—They are all Labor states.

Mr REITH—No, they are not all Labor states. What a stupid remark to make. The official figures show that the high level of strikes we had when Labor was in office federally is replicated now that we have Labor in office at the state level. We are seeing the level of disputes go up. In regard to transport strikes, in my home state of Victoria you basically shut the whole state down with electricity strikes earlier this year.

Lastly, let me go back to wages—not across the board, where I have demonstrated that on the official figures wages have gone up, but for low income people, those who are most disadvantaged in our society. What has been the story for those people, according to the official figures? Again, take the Labor record, from 1983 to 1996, when the Labor Party ran Australia with the unions. The people on minimum award rates, low income people, suffered a wage reduction from start to finish of Labor’s being in office of five per cent.

Mr REITH—It is a shameful record and, to add insult to injury, when Labor was in office it was a proud boast of Labor ministers that they had reduced the real wages of workers. It was a disgraceful and shocking and shameful period of Labor’s administration to be boasting of how they had reduced the wages of low income workers. Those workers went back by five per cent when Labor was in office. What has been the record since the coalition has been in office regarding looking after the interests of workers? The official figures show that in the time that we have been in office those workers have had not a five per cent real reduction in wages but an increase of 9½ per cent.

This has all come about as a result of many changes that we have made. One of the changes we made was to build on the system of enterprise bargaining that the Labor Party introduced. What was demonstrated last night is that Labor is walking away from policies they themselves thought were good. Incredibly, the Opposition Leader last night endorsed enterprise bargaining but today in the parliament he voted against legislation to protect enterprise bargaining. Whether you are on an AWA, whether you are a low income worker, whether you are a non-union member, the fact is that these people have been better off, and they are now threatened by the man who is to speak following me. (Time expired)

Mr REITH—No, I won’t. It’s okay.
Mr DEPUTY SPEAKER—The Leader of the Opposition.

Mr BEAZLEY—For the others, the government said, ‘We will produce the same scheme.’ Where is it?

Mr Crean—Yes, only for Stan. Stan’s the man.

Mr BEAZLEY—You see, there were supposed to be two schemes here. There was the basic entitlement scheme and the top-up scheme. We have searched the web site, we have searched the department, we have tried to find the top-up scheme, because the workers at Scone have not got it. The workers at National Textiles got it but the workers at Scone did not get it. No, indeed they did not. They have a scheme under which, if they are lucky—and there is scarcely a worker in Australia who would get it—and the state governments came in behind it, at best they might get $20,000. As for those workers who find themselves with entitlements of $50,000 $60,000 or $70,000—what they would rely upon, of course, for a reasonable life after their redundancy—where is that? Where is the top-up scheme that we were promised?

Mr Crean—Stan got it.

Mr BEAZLEY—So far only Stan has received the top-up scheme. Now the minister claims, of course, that we do not have a view on this or a policy. Yes, we do. We have put forward a scheme to guarantee 100 per cent of workers’ entitlements. So that is the first difference between that and what is left of their particular entitlements scheme that they are trying to argue through with the states at the moment.

The second advantage of the Labor scheme is that it is not a burden on taxpayers. Rare is the occasion when I find myself in agreement with the Treasurer of this nation but this is a situation which ought not to be the responsibility of the taxpayer but ought to be the responsibility of the employers, to which I say, ‘Hear, hear. Of course it should.’ It should not be the responsibility of state and federal taxpayers. It should be the responsibility of the employers. We have put forward a suggestion to the minister whereby he might implement the scheme he promised, equivalent to that National Textiles workers’ scheme that guaranteed 100 per cent. By adding a surcharge on the superannuation guarantee levy, you would get yourselves there. That is an entirely appropriate charge on the employers. Let us have a little more factual correction. This is the Scone correction: (a) we have a policy for 100 per cent entitlement, (b) that policy would be paid through employers effectively signing up to our insurance scheme, as opposed to going through the taxpayers.

So let us go to the next item which is the claim of the minister that somehow or other the state of industrial disputation has improved under him. Everybody knows that the industrial disputes which really do damage to the economy are the long-term ones, the ones that last more than 10 days, the ones that last more than 20-plus days. Let us now look at the official statistics in relation to those to see if we can deal with these issues: 1992-96—31,000 working days lost in the 10-20 days category and in the 20-plus days category the average annual working days lost were 28,000. What are the figures from 1997? The figures are these: in the 10-20 days category annual working days lost at the rate of 35,000—an increase of 11 per cent on the period of time that Labor was in office. On the 20-plus days since 1997: 65,000 days lost on an annual average basis, a 131 per cent increase in industrial disputation. Why should that be? For the simple reason that their industrial relations legislation forces unions into confrontation—at the end of an enterprise agreement period or in any other normal industrial relations situation—and encourages employers to go through processes of strikes and lock-outs. Their industrial relations policy is about strikes, lock-outs and confrontation, to be amended—when from time to time it seems likely the unions will win—by more constraints on the umpire and by more beneficial provisions in industrial legislation for employers. Theirs is about strikes and lock-outs. Ours is about industrial harmony, cooperative workplaces, family friendly workplaces and industrial wage outcomes that actually produce a decent situation for the lives of ordinary Australian families.
More corrective of the statistics of Mr Reith are those that go to employment and the proud boast that he has that between February 1996 and April 2000—four years—682,000 jobs were created with an average monthly job growth of 13,640 and an average annual growth rate in jobs of 1.9 per cent. Nice figures, he feels—a beautiful set of numbers. Let me take our last term. He can have his four years; I will take three: total employment increase 730,800; average monthly job growth 20,200; and average annual growth rate in jobs 3.1 per cent. That is what came through under the Labor Party when we were in office. We were coming off a worldwide recession: we all remember Bill Clinton’s 1992 campaign—‘It’s the economy, Stupid.’ Those were produced by us in confrontation with a worldwide recession. These figures from the government have been produced from an era of plenty. So that is the next set of statistics that we would want to correct.

Then he says that what his AWAs have done is create flexibility in the workplace—a popular initiative that he wants us to follow. Only 100,000 thus far in these years since it has been in place have gone down that track and 1.3 million have chosen, if they want to be in an individual agreement, to stick with the opportunity in common-law arrangements—and of course millions in collective arrangements all dependent upon awards. I suspect the reason might lie somewhat in the attitudes of employers to what this little opportunity produces for them. We have here some interesting examples from the submission by ACCI to the Senate inquiry into these matters. This is their example from Telstra’s suggestions to them—and remember that it is often in the public sector that these things appear. Telstra said:

However, the use of AWAs has introduced a level of bureaucracy and complexity that conflicts with the company’s drive for a simplified management framework.

The submission states that the time periods associated were ‘a source of confusion’. The following view was also put forward:

The requirement to offer AWAs in the same terms to all comparable employees is a source of frustration to staff members.

We receive criticism from staff members that the AWA ‘is not an individual contract but a mass contract with different people’s names on it.’ Telstra also said that staff find the process bureaucratic, and the submission continues:

... we are encouraging staff members to challenge complexity, undertake continuous improvement. The AWA process stands as a contradiction to this direction.

And so on and so forth on the great AWA initiative the government want us to adopt. They want us to adopt that. The only thing they can say for it is that it frightens people and that they ought to keep it in the industrial relations system because ‘it frightens people’. That is what they want in workplace relations: frightened people. We do not want that. We want a workplace system that makes people happy, that makes people cooperative, that leaves people out of an ambit where they are constantly calling strikes and lockouts. That is what we want from the workplace relations system in this country. And do you know something? We are going to get it.

Mr DEPUTY SPEAKER—Order! The discussion is now concluded.

ASSENT TO BILLS

Message from the Governor-General reported informing the House of assent to the following bill:

Taxation Laws Amendment Bill (No. 2) 2000

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 2000

Main Committee Report

Bill returned from Main Committee for further consideration; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

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 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”.

Mr DEPUTY SPEAKER—The original question was that this bill be now read a second time. To this the honourable member for Melbourne has moved as an amendment that all words after ‘That’ be omitted with a view to substituting other words. The question now is that the words proposed to be omitted stand part of the question.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Bill (on motion by Miss Jackie Kelly)—by leave—read a third time.

COMMITTEES

Public Works Committee

Report

Mrs MOYLAN (Pearce) (4.42 p.m.)—On behalf of the Parliamentary Standing Committee on Public Works I present the fourth report for 2000 of the committee relating to the proposed housing development at Parap Grove, Darwin.

Ordered that the report be printed.

Mrs MOYLAN—by leave—The report I have just tabled is the result of a lengthy and sometimes frustrating inquiry. The reference to the committee concerned the proposed spot purchase of 50 house and land packages by the Defence Housing Authority in the housing development called Parap Grove in Darwin. These houses were to provide Australian Defence Force personnel and their families a secure suburban environment with good access to community facilities.

The reference estimated the cost of these house and land packages at $17.5 million at July 1999 prices. This reference to the committee took place only after the DHA approached the committee to consider having the project exempted from the committee’s consideration. This was in the context of an urgent need to provide housing for defence personnel in Darwin. The committee was unable to agree to this request. The Public Works Committee Act provides for grounds for exemption and these were not met.

After the proposal was referred to the committee, the committee held a public hearing in Darwin in October 1999 and a later hearing with DHA in Canberra during February this year. In early March, the DHA advised the committee that the DHA did not want to pursue the Parap Grove development. The DHA’s reasons for not continuing with the proposal were given as: the appointment of a voluntary administrator to the project home developer, Bayview Homes; additional responsibilities given to DHA by the Department of Defence; and that the urgency that drove the need for this development was no longer a critical factor.

The committee explored these reasons further. This included asking the then Head of Defence Personnel Executive, Major General Peter Dunn, to appear before the committee. This occurred on 16 March this year. At this hearing, Major General Dunn informed the committee that the DHA board had not approved the Parap Grove project. In the committee’s opinion this reference has been poorly managed and it has therefore recommended that the Australian National Audit Office examine the matter. In conclusion, it would appear that this proposal was developed in the context of perceived urgency. I make the point in this place that, whether or not there is a perceived urgency for works, the committee’s response is always the same: every reference from parliament will be thoroughly investigated.

Mr HOLLIS (Throsby) (4.45 p.m.)—by leave—I want to indicate that I support en-
tirely the comments made by the chair of the committee, the honourable member for Pearce. I also put on record that this project is perhaps an example of a committee of this parliament doing its work on behalf of the Parliament. We have a responsibility to ensure that the expenditure of taxpayers’ money can be justified and that the work is needed. All members of the committee were especially concerned—we are always concerned when Defence Housing come before us—when DHA tried to tell us there was an urgent need for it and tried to have it removed from the scrutiny of the committee.

The committee unanimously decided that we wanted to scrutinise this. We were talking about something like $17 million of taxpayers’ money. The whole committee was a very unhappy with the evidence that was given at our hearing. It did not seem to make logical sense to us, and we were quite amazed, after being told that there was an urgent need for this housing, to find out in a couple of months time that that urgent need had suddenly mysteriously disappeared. It was clear to us that the research had not been done and that it had not been a well-presented submission to the committee.

I must say, as one who has been somewhat critical of Defence Housing in the past, I am very pleased that there is a new management team there. In other hearings that we have had with Defence Housing—although I personally am not prepared to give them the A1 stamp yet—all the committee members feel that there has been a great improvement in the submissions that are now coming before us, and the witnesses are coming along very much better prepared. That helps us do our work, if you like, in guaranteeing that the expenditure of taxpayers’ money is needed. I also support fully the committee’s decision to refer this matter to the Australian National Audit Office. There were serious concerns that we had with this project, and by having the Australian National Audit Office look over it—not in any spiteful way—we are keen to see that deficiencies that have been identified will be highlighted and, in that way, these deficiencies will not come before the committee in future projects.

In this place, a lot of people talk about the work they do in the chamber and outside. Too little attention is paid to the good work that committees in this parliament do. I am prejudiced in favour of the Public Works Committee, but it is one unsung example of a hard-working committee doing its work on behalf of the people of Australia and the parliament, and I think that in most cases it does a very good job.

COMMITTEES

Employment, Education and Workplace Relations Committee

Environment and Heritage Committee

Membership

Mr DEPUTY SPEAKER (Mr Jenkins)—The Speaker has received advice from the Government Whip and the Chief Opposition Whip that they have nominated members to be members of certain committees.

Motion (by Miss Jackie Kelly)—by leave—agreed to:

That Mr Katter be discharged from the Standing Committee on Employment, Education and Workplace Relations and that, in his place, Mrs May be appointed a member of the committee, and that Mrs Irwin be discharged from the Standing Committee on Environment and Heritage and that, in her place, Mr Byrne be appointed a member of the committee.

APPROPRIATION BILL (No. 1) 2000-2001

Second Reading

Debate resumed.

Mr NUGENT (Aston) (4.50 p.m.)—My comments on Appropriation Bill (No. 1) 2000-2001 were interrupted by the advent of question time. I see that I have about three minutes left. I have lost something of the continuity and flow that I was able to work up before question time. I had been making the point, particularly for the benefit of the member for Charlton, who preceded me in this debate, that economic policy is not about one particular budget but was a continuum. I surveyed the economic record of the previous government and of this government and I illustrated, through reference to the make-up and demographics of my own electorate, why it was important that the government was
pursuing the sort of economic policies that it is, and why it is important that the government is introducing on 1 July, one month from today, what is in fact the largest restructuring of the tax system this country has seen.

I was trying to make the point that, when we bring down the budget, it is not just an exercise for economists or a bit of fun for the Treasurer: it is all about doing the right thing to help people on the ground, our fellow Australians, achieve a better quality of life. In the case of my own electorate of Aston, an outer eastern metropolitan seat, we of course have a large number of families and we are seeing increases from this government in the family allowance and a much more flexible use of child care. We have also seen a significant drop in the unemployment rate in my part of Melbourne, from the 11 per cent high under the previous government when I came into this place, down to around four per cent at the present time. Part of that is the measures we have taken to increase the number of available apprenticeships, some 250,000. We have also, in spite of a lot of the propaganda from the other side, increased education funding and, with 20 per cent of the residents of my electorate at school, that is a very important thing.

On 1 July, we will see not only the GST, which the other side like to keep telling us about, but also significant tax cuts and increases in pensions and other benefits. So you have got to look at that whole tax restructuring as a package, and I am convinced that people will be better off. I believe that this budget contains good news for the seat of Aston. I believe that this budget contains good news for Australia. It is important that we do not lose sight of why we are doing these things because, in the long run, it is all about looking after people. I commend the appropriation bill to the House.

Mr O’CONNOR (Corio) (4.53 p.m.)—The Appropriation Bill (No. 1) 2000-2001 and associated bills that we are debating here tonight bring home the GST for the Howard government. They lay the economic parameters for the introduction of an outdated tax that Australians do not want; a tax that is riddled with inequities, accompanied by a compensation package that is obscenely skewed towards the wealthy in our community. These appropriation bills bring home the GST that the Prime Minister said he would never ever introduce. They bring home a GST that the Treasurer said was a snake oil solution to economic problems, and if introduced with exceptions would become a nightmare on main street for businesses and the general community. The nightmare is now upon us. What rural Australians now term ‘Costello’s curse’ is about to be foisted not only on them but on the total Australian community. Families, businesses, workers, farmers, pensioners, self-funded retirees and even children earning a little pocket money on the side are about to fall victim to the Prime Minister’s ideological prejudice for an outdated tax that belongs to the sixties. It is back to the future with this GST budget.

While the economic nightmare is about to unfold for farmers and business persons and also for my electors in the great seat of Corio—and of course Australians generally—it is nothing to the political nightmare that is awaiting the government and its members when they call the next election. Australian voters will be lying in wait with political baseball bats for every member of the Howard government at the next election when it is called. The political baseball bats that await members in this House representing the Liberal and National parties also await the third element of the coalition, the Australian Democrats, whose disgraceful deceit and sell-out on the GST has not been forgotten by people in my electorate. Australians are angry at your deceit, members opposite. They loathe the political arrogance of this Prime Minister and this Treasurer who actually thought that they could get away politically with the monumental deceit which is contained in this particular budget.

Businesses in my electorate of Corio will not forget that 20 per cent of the top income earners will receive around 50 per cent of the compensation package in this budget. They will not forget that the advertising industry will, at last count, receive $410 million to pump up a Goebbels style propaganda blitz to convince them to swallow the Treasurer’s snake oil. They will not forget the fact that
Joe Cocker received $270,000 to unchain their hearts and to accept a tax that the Prime Minister said he would never ever introduce. And they will not forget that they receive a pathetic $200 from this miserly government as a top up, as an inducement, for them to accept this GST. It is less than Judas Iscariot received for his infamous, historical betrayal. They will not forget your deception, nor will they forgive it.

Following this budget I issued, in my capacity as shadow minister for agriculture, fisheries and forestry, a press release in which I categorised the budget as one of deceit and missed opportunity. I used the terminology ‘deceit’ because, to my mind, it accurately describes what this arrogant Treasurer, with his arrogant smirk and glib one-liners, was attempting to pass off to the Australian community as an exercise in budget honesty and fiscal responsibility. I used the terminology ‘missed opportunity’ because this particular budget has rammed home for all of us the terrible price that the Australian community will now pay for the Prime Minister’s ideological obsession with an outdated sixties tax. I represent two distinct communities in this parliament: I represent the electors of Corio and I represent Australia’s farming families. There is one common sentiment they have expressed to me about this Prime Minister, about this Treasurer and about this government. They cannot stand their arrogance and they cannot stand their deceit. This is a budget of deceit for two simple reasons. Firstly, to hang onto the barest thread of fiscal responsibility, the Treasurer has had to fiddle the figures. To ramp up this transparent surplus of $2.8 billion, the government has had to include $2.6 billion in spectrum assets to prop up its bottom line. It has had to pretend that $1.6 billion top-up money that it has provided to the states is a loan, so that it is not included in this year’s spending. And it has accounted for next year’s income it has received from the Reserve Bank this year.

Members and the general public will recall the hypocrisy and humbug of the Treasurer railing against Labor for past budget deficits. Yet here in this budget when the facts are laid bare and the rhetoric is stripped away we find this arrogant Treasurer has actually totted up a deficit of $2.1 billion. But, as farmers and householders in rural Australia know, this is the only the tip of the iceberg as far as this Treasurer and this Prime Minister are concerned. As the Demtel man would say, ‘But there’s more.’ According to the market analysts, the Howard government undersold the first tranche sale of Telstra by a massive $13 billion, and that is acknowledged to be at the conservative end of the spectrum. For farmers and their families and for other people living in rural and regional Australia, this staggering loss by the Treasurer, the Prime Minister and this coalition government represents a missed opportunity. It represents a missed opportunity to repair their road network, to improve their telecommunications infrastructure, to repair their bridges, to restore health care services in their localities and to expand educational opportunities for their children.

But wait, there’s more! In his first and subsequent budgets the Treasurer cut services to rural communities and farming families mercilessly, claiming that the pain was necessary to generate by the year 2000 a $10 billion surplus on the budget. This Liberal urban Treasurer, who would know nothing about life down on the farm, cut services to rural communities, including the services in the electorate of Corangamite. The member for Corangamite has just entered the chamber, and I acknowledge his presence. Sadly to say, this will be his last 18 months in the parliament, once the effects of the GST work their way out in the Corangamite electorate.

This Treasurer cut services to rural communities and told them at this stage of the budgetary cycle we were going to have $10 billion surplus in the kitty. As we know, the Prime Minister and the Treasurer have blown it. They have blown that surplus on the introduction of an outdated tax that the Prime Minister said he would never, ever introduce, a tax that the Treasurer said was snake oil. When you add it all up, this Prime Minister and this Treasurer have blown $25 billion in their fiscal profligacy—whatever the word is. I cannot even get the word out, I am so upset. To add insult to injury, they are now going to spend $410 million on advertising for the GST. It is a situation that Australian farming
families will not forget in a hurry. The economic implications for the farm sector of this budget are of particular concern also. The government has admitted in its budget papers that inflation will be ramped up 6.75 per cent as the GST is introduced and will settle at 5.75 per cent over the year. That is a couple of large paddocks away from the 1.9 per cent the government claimed prices would rise by as a result of the introduction of the GST.

Members may recall that it took Labor a decade to cut the inflation cancer out from the Australian economic system and lay the foundation for the prolonged period of low inflation and low interest rates that we have enjoyed. I was interested that the honourable member for Aston, who preceded me in this debate, had the gall to mention a double-digit unemployment rate which existed when Labor came to office in 1983. What he failed to tell the Australian people in that speech is that we inherited it from the Prime Minister. Not only that, we inherited double-digit inflation, double-digit interest rates and double-digit unemployment. Talk about a double-digit Prime Minister.

Mr Ian Macfarlane—And then you doubled interest rates.

Mr O’Connor—It is really interesting that the honourable member raises the issue of interest rates, because now he is in the position of having to defend a GST which has already induced interest rate rises in this economic system, and will do so in the future. He is not a member of the National Party. We know they did attempt to recruit him. I think he made—if we could categorise it as such—a good decision. I do not think it was a good decision when he joined the Liberal Party, but certainly he made a good decision when he said no to the National Party, because down in Victoria—let me tell you, brother—they are down to 2½ per cent, and we are about to wipe them off the political map. We are going after the seat of Gippsland, and when we collar that one, of course, we will take another jewel in the Liberal crown, the seat of Corangamite. I should say I am very proud as I stand here representing the Labor Party in this parliament. We now claim Victoria as the jewel in Labor’s crown. We are not going to stop at the seat of Gippsland—and some say we should, that we should leave the National Party alone, because they only poll 2.5 per cent. The National Party in Victoria polls the amount of 2.5, what we considered to be the marginal error on the polls that we take measuring our own support. That is how hopeless the National Party are there. And the honourable member for Gippsland is the next cab off the rank.

Of course, we cast our eyes at the seat of Corangamite as well—only 4.7 per cent. And at the juxtaposition of circumstances we have now with this insidious tax now being foisted on the people of Corangamite—the farmers, the small businesses—we might find that we take that seat as well. The honourable member for Corangamite sits there and, of course, gives a very nervous laugh when I raise this issue, because he knows that not only did we get over 10 per cent in Benalla at the first go but we then topped it up with another seven per cent—or whatever it was—and he only holds his seat by four per cent. Four times four is 16 per cent. We have got a fair margin there to knock you off as well.

Returning to the issue of inflation, courtesy of the Howard government we are now going to see prices—and, through those, farmers’ costs—artificially ramped up. The government has done no analysis of the long-term impacts on farm costs that will occur as a result of this boost to inflation coming from the GST. It is simply the worst budget for the economic circumstances now being faced by Australian farmers. Over the past six months, we have seen interest rates rise on four occasions to the tune of 1.25 per cent. Using the Deputy Prime Minister’s own criterion, this has added $112 million to farm costs. Everybody knows that the Reserve Bank has increased interest rates not only in response to external factors and our currency slump but also to moderate the inflationary pressures it expects will flow through to the economy as a result of this boost to inflation coming from the GST. It is simply the worst budget for the economic circumstances now being faced by Australian farmers. Over the past six months, we have seen interest rates rise on four occasions to the tune of 1.25 per cent. Using the Deputy Prime Minister’s own criterion, this has added $112 million to farm costs. Everybody knows that the Reserve Bank has increased interest rates not only in response to external factors and our currency slump but also to moderate the inflationary pressures it expects will flow through to the economy as a result of the stimulation of the compensation package and the flow-on inflation effects of the dollar. Yet here we have a budget that sets the economic stage for the introduction of an inflationary tax that is going to ramp up inflation and put further pressure on interest rates.
For sugar farmers in Queensland this is a nightmare. It is a nightmare out there in the cane fields. Cane farmers in Queensland have weathered four cyclones and an extremely low world sugar price, they have had to endure poor crop performance due to climactic decisions; and they have had to endure two State of Origin defeats of their beloved Maroons. Now they face the compliance costs associated with the GST plus the significant increases in inflation and interest rates—compliments of the Liberal Party and compliments of the National Party. There is little point in the government arguing they will be adequately compensated in the compensation package inherent in the budget we are debating this afternoon, because they do not even earn enough income to pay any tax and receive the benefit of that.

As I proceed in this debate, I will take up a few issues that have previously been raised in the debate by members. I was very interested to observe and listen to the contribution of the honourable member for Longman, an electorate up there in Queensland. He was leaping to the defence of his dairy farmers. I have to say to the honourable member for Longman that he ought to enjoy every opportunity he gets to stand up in this House and debate these issues because he is not going to be around here for much longer. I happened to go through his speech, and it is just riddled with errors in relation to the dairy industry. The first big porky he made in his contribution to the appropriations debate was when he said this:

_The federal government took a leadership role, even though this is entirely state legislation. Everybody in the industry knows—and farmers know—that when this package was devised the government went missing. It did not play a leadership role in the development of this package; Pat Rowley did and the industry associations did. It is a bit rich for a Queensland member to come into this parliament and claim a leadership role when his own Queenslander, the head of the dairy farmers of this nation, did all the heavy duty stuff on this._

He also had things to say about Labor governments now faced with deregulating their industries. The decision of the Victorian industry to deregulate was made by the Kennett government and the Victorian dairy industry, and it was done without any poll. I will give Labor its credit: it conducted a poll when it came in. But the great hypocrisy of the honourable member for Longman is to slate Premier Beattie in his recent discussions with dairy farmers. He told them that Premier Beattie said they would get $2.20 million from the dairy adjustment program or go cold turkey and get nothing. That is exactly what Minister Truss and the government, including the member for Longman, have said to dairy farmers: you will either accept this package or get nothing. Here the member for Longman is trying to hop into the Queensland government for what they are doing on behalf of their dairy farmers. I commend Henry Palaszczuk, the Minister for Primary Industries in Queensland, for the great work he did in attempting to defend his dairy farmers in the dairy debate. (Time expired)

**Mr IAN MACFARLANE (Groom)  (5.13 p.m.)**—What a brightening of a dull day by the member for Corio. That was an amusing speech, although a bit short on fact—in fact, extremely short on fact. There is so much that I have to correct before I get to my points that I may not fit it all in the 17 minutes that I have before the House adjourns. If the member for Corio talks about deceit on tax, I wonder how he describes the l-a-w law tax cuts, the ones that were never delivered. What do you describe them as, member for Corio? If that was not deceit, I do not know what was. The coalition government have delivered to the taxpayers of Australia exactly what we said we would, unlike the Labor Party when they were in power. When the member for Corio says that business will not forget, I will tell you what business will not forget: it will not forget that an antiquated wholesale sales tax will be gone. They will not forget. He talks about the GST being a tax of the sixties—Labor had a chance to introduce it in the eighties and did not have the guts—but the wholesale sales tax is a tax of the thirties. In saying that farmers are going to remember us for introducing the GST, he is absolutely right—because they want it. Business and farmers will remember not only the wholesale sales tax going but also the income tax cuts we actually delivered.
We did not have to describe them as l-a-w law; we just said that we would do it and we have done it. They will remember the cheaper petrol and diesel prices that we have delivered under this tax package. They will also remember that the people who sit opposite us here, the Labor Party, opposed the cuts in those diesel and petrol prices. They opposed the schemes that we introduced to bring about equalisation and to ensure that petrol prices in rural and regional Australia were not affected by the changes in the taxation system, and they continued to oppose a tax reform system that will bring extra competitive advantage to primary producers and business in regional Australia.

The member for Corio also obviously does not understand the difference between an asset sale and an income from leasing. He spoke about the $2.6 billion sale of spectrum. It is a lease. It is a recurring lease. The asset is retained by the government, and we will continue to be able to offer that spectrum and earn that sort of income in the future. He spoke about the sale of Telstra. He should have been with me when I was sitting talking the other day with the chairman of the board of Telstra and the CEO of Telstra about the future of Telstra if they do not privatise. He pretends that we undersold Telstra in the first tranche. I tell you what the big risk is. The big risk is that if we do not free Telstra from the shackles of government then their future sale and the income that the government can earn from those asset sales will drop and drop dramatically. Already Telstra is struggling to remain competitive against a number of communications carriers that are currently giving them plenty to think about. Telstra struggles with the issue of government ownership and the fact that it cannot raise capital through a normal share float.

To top it off, he then talked about interest rates. The member for Corio said that there had been a 1.25 per cent rise in interest rates under this government. I was a farmer when that side were on this side. I remember interest rates of 22 per cent. I had friends paying 28 per cent because of the policies of the Labor Party. They talk about an increase of 1.25 per cent. They ought to look at their history. The interest rate increase that they introduced crippled more farmers than the great droughts of the 1980s and 1990s. He then tried to imply that interest rates were rising because of the introduction of the GST. Again, he is not well read on it. In fact, if he had used my name and transferred it to another place, the Reserve Bank, he would have heard Ian Macfarlane say that the GST has not contributed to interest rate rises.

The coup de grace of the member for Corio was to talk about the dairy industry. I have been a dairy farmer, and I can assure the member for Corio and the dairy farmers of Australia that we did demonstrate leadership on this issue. We did as the industry asked us to do, and that is what leadership is about. It is about going out there, talking to dairy farmers and saying, ‘What do you need from this change?’ It is a change driven by dairy farmers. Sixty-five per cent of Australian milk production occurs in Victoria, and 87 per cent of their farmers voted to deregulate. Once that happened, the box was open. The federal government then stepped in and did exactly what the industry asked us to do. The fact that the state governments, with the exception of the Liberal government in Western Australia, have done nothing to assist dairy farmers with their current problems is an issue which they will have to reconcile themselves with.

In the time left to me, I would like to speak about the 2000-01 budget in front of us. It is an excellent budget. It is an excellent budget which, associated with the coming tax reform, will continue to see Australia grow. Of course, we have a $2.8 billion surplus. We have another surplus. It is almost monotonous, but we know how important surpluses are, so we greet them with a great deal of joy. I understand that we are the only government since about 1912 that has not borrowed money to support its budget, and I think that is admirable in itself. For regional Australia, though, it was an extraordinary budget, a $1.8 billion budget. It contained a number of components and not just in agriculture and health. It contained other components which were new and exceeded previous budgets by either side of this House. There are fantastic initiatives. I will endeavour to roll through a few of those. The Prime Minister has of
course had a great deal of interest in regional Australia and has made a commitment that the government will maintain our services out in regional Australia and ensure that overall levels of Commonwealth services provided in regional areas are not diminished. Doing that and also turning around and producing a budget like this should make regional Australia very happy.

Let me talk for a minute about what I think is one of the really big issues out in regional Australia, and that is health. I think the people who I grew up with see health, education and communication as key areas. They are the issues which affect their day-to-day lives. They are the issues which they believe underpin the quality of life in rural and regional Australia. The government have provided $562 million for regional health initiatives in this budget. It is an extraordinary figure. The shortage of doctors is always going to be a concern, and we have taken a number of steps to ensure that we increase access to GP services in regional Australia. Some $102 million is allocated to that particular area alone. There is an increase in the number of vocational training places for general practice of about 50, taking the numbers up to 450 and complementing that with financial incentives to encourage medical practitioners to undertake their vocational training in rural areas, thus building their confidence and experience in working in regional and rural areas of Australia. I hope in future years to perhaps speak in this House about other incentives that we have put in place. For instance, in this budget, we have allocated some $49.5 million over four years to increase the range of allied health services available to rural and regional communities, including practice nurses, psychologists and podiatrists.

In my electorate, some very well-meaning people are currently working on a project to introduce scholarships to encourage people to take up the nursing vocation and to work in regional Australia. Aply it is being named after one of the pioneers in rural nursing, and people may remember that it was Sister Kenny who treated Sir Joh Bjelke-Petersen for his polio. I look forward to the time when the government will fund that, but that is to take nothing away from what they have already funded in this budget.

Under this health program, there will obviously be incentives to give people in regional Australia better access to specialist services, and there will also be assistance to the rural divisions of general practice to be better resourced to extend their role to attract and keep doctors in rural Australia. There is a further $117.6 million to establish nine new clinical schools in rural and regional Australia and three new university departments in rural health. If that does not help fix the problem, nothing will. Locating those clinical schools in rural and regional areas will strengthen the focus of medical training and provide a focus for rural and regional service delivery. There will be extra incentives, including some concession on HECS, as well as additional scholarships worth some $20,000 a year offered to new medical students in return for a commitment to practise in rural and regional areas for at least six years. This is expected to provide an extra incentive, and on top of that we will increase medical school places by almost 100.

The issue of pharmacies has not been overlooked, and in this year’s budget there will be more support for quality pharmacy services in rural and regional areas worth some $41.6 million over four years. Regional hospitals are an issue very close to my heart. I have two very good regional hospitals in Pittsworth and Clifton. It is not easy being a regional hospital. You have difficulties with economies of scale. You have fluctuating resident numbers and higher transport, staffing, food and service costs than you do if you are within even major provincial centres like Toowoomba. These hospitals continue to find it very difficult to remain viable. In terms of the budget, we are providing funding of some $30 million over four years to revitalise bush nursing in small community and regional non-government hospitals. That is a move directly targeted at reversing the trend which has seen some 18 rural community hospitals close since 1995.

One area of the budget pleased me a great deal because it is an issue which I have pursued both since coming to parliament and in my previous life as a rural representative, and
it relates to farm and business assets for youth allowance. We as a government have increased the allowance to discount farm and business assets from 50 per cent to 75 per cent. Between that and increasing the level of assets allowable, we expect some 7,000 young people in regional Australia alone will benefit from that change. That is a wonderful step. It is a step which I know is being applauded greatly out there in the bush, and it is the delivery of yet another election promise.

The Jobs Pathway Program has been very successful in my electorate. I have a very, very good provider base sourced from the Harristown High School, which serves a lot of south-east regional Queensland. It will get its share of the extra $10.3 million allocated in the budget and be able to do further good work to assist high school students make the transition from the school environment to the work environment. As well as that, there is funding for the ACCs—again a successful part of the government’s work program—and $2 billion over four years for the apprenticeship scheme.

Work for the Dole is enjoying enormous success in my electorate. We will be increasing the number of places available under Work for the Dole up to 50,000 from 32,500 in 1999-2000. Just under half of these are expected to be projects in regional Australia. The Work for the Dole program has done a wonderful job in a number of areas in the electorate of Groom, and Harlaxton Hall is one which I have spoken about in this House.

Mr Tim Fischer—Mount Tyson.

Mr IAN MACFARLANE—Yes, Mount Tyson is an excellent example, and I think that we will see that continue. Another program which is also receiving extra funding is in the area of indigenous employment, and we are aiming to increase the employment opportunities of indigenous people, who we recognise are disadvantaged. We are putting forward a number of programs for that. On top of that, we have seen a significant effort put into and a significant success of the Job Network, and I saw some figures the other day that showed some 7,000 indigenous people had obtained work through that mainstream Job Network program.

There are other areas which will impact not only on the people of Groom but on all Australians. But, in the last minutes available to me, I would like to touch on a few of the issues affecting farmers and agriculture directly. The $309 million extension of Agriculture—Advancing Australia, which I spoke of earlier, is an enormous contribution by the government to ensure that farmers remain competitive and viable. It will go into a number of areas of skilling farmers, extending and enhancing the Farm Family Restart Scheme, encouraging the adoption of better technology and production techniques and continuing to ensure that farmers continue to meet the challenges, and they are currently facing many challenges.

Of course, there is contained within this budget the $500 million fuel rebate scheme to ensure that fuel does not rise in rural and regional areas. I have just spoken to my local paper about that because those who sit opposite continue to try to confuse people. I can assure people in regional Australia, particularly in Groom, that, because we do not have the 8c state tax—as it is 5.30 p.m., I will cease my remarks and commend the legislation to the House.

Debate interrupted.

ADJOURNMENT

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

That the House do now adjourn.

Aboriginals and Torres Strait Islanders: Reconciliation

Ms HOARE (Charlton) (5.30 p.m.)—Further to my private members motion on Monday regarding reconciliation, I would like to take some time to share with the parliament some comments on reconciliation that have come from the community in my electorate of Charlton. First, I have some statements from Aboriginal students at Cardiff High School. A year 7 student said:

I think reconciliation means that Aboriginals can be friends with the white community and that everyone can live together because together we can’t lose. It was really good when Cathy Freemon held the Aboriginal flag and the Australian flag.

Another year 7 student said:
It doesn’t matter what colour you are. We should all be able to use our lifetime the way we should.

A year 11 student from Cardiff High School said:

Reconciliation is an important part of every person’s life not just us people of an Aboriginal background. We all need to live in the same world just as we all need to live in the same country, city and towns. So in other words we all need to live with each other but if people don’t learn to accept other peoples’ cultural backgrounds and lifestyles it would not be necessary to live in this world. I am not only talking about black or white but reconciliation is a Multi-cultural based topic. Everyone has their own views and ways that they look at life and we need to accept these views and listen to what other people have to say.

For reconciliation to occur people need to value and take into consideration the past and the way of everyone’s own ancestry and be accepted as people. And not fake or pretend we are valued and just call upon Aboriginal people to show that yes we care for all people, how often are we asked how are you, or what you are doing, only when it will benefit some one in high position within the community.

Sharlene Williams, also from year 7, said:

My personal thoughts of reconciliation is white Australians and Koori Aboriginal communities coming together to work as one. Teach racists to become non-racist or give them a boot out the door, and invite reconciliation to a racist free community, think of the saying working as one can make a difference. Just like Michael Jackson said “doesn’t matter if you’re black or white”. We have a lot of Aboriginal football players to look up to.

And Matthew Spicer, an Aboriginal student, said that he ‘considers reconciliation to be white Australians and Aboriginal communities joining together as one country’. He stated further:

Give racism the boot out the door. And invite reconciliation to a nice racist free country... Neville Bonner was one of the great Aboriginals, he was a unsung hero who set up an organisation like ATSIC who helps my people with everyday life and support for struggling Aboriginal families. There are great heroes like Yothu Yindi, Albert Namatjira and our own Novocastrian hero Mrs Donna Meehan. My great grandmother was a stolen generation and was put in a mission in Brewarrina until my grandfather took her out and married her. The stolen generation is a major problem to Aboriginal people as they still might not know who their biological parents are.

Other statements of reconciliation from local community leaders included from John Mills, the state member for Wallsend, who said:

Reconciliation is a lifetime experience across the generations, both in words of sorrow for past injustice, and in actions on health, housing, education, jobs and land that give credit to the special place in the Australian community of our first people, the original owners of this land.

From Councillor John Kilpatrick, the Mayor of the City of Lake Macquarie:

One of the largest indigenous populations is in Lake Macquarie, with three Land Councils larger than the Kempsey area, and I look forward to meaningful reconciliations that bring all Australians together.

From Councillor Leigh Martin, also from the City of Lake Macquarie:

Reconciliation is an expression of our maturity as a nation. It is about acknowledging the wrongs of the past and building a new, inclusive, relationship with Aboriginal Australians.

From Mr Jeff Hunter, the state member for Lake Macquarie:

Reconciliation means all Australians (Indigenous and Non-Indigenous) having mutual respect and understanding of one another’s traditions and cultural beliefs; it means the healing of past wounds and working together to improve the quality of life for all Australians.

Reconciliation means all of this for all of us and includes so much more—which was demonstrated with the diversity of Sunday’s walk. However, as Evelyn Scott concluded:

Things remain to be done—the “unfinished business” of reconciliation. Dealing with this unfinished business requires goodwill, continuing dialogue and a shared vision of our future. We must have the courage to talk about difficult issues, such as Aboriginal deaths in custody and the stolen generations.

Australians believe in and want true reconciliation. They demonstrated this over the weekend in droves. The Prime Minister must acknowledge this people’s movement and come into this parliament and say, ‘I’m sorry.’ (Time expired)

Second World War: Truscott Air Base

Mr HAASE (Kalgoorlie) (5.35 p.m.)—In the early hours of the morning of 20 May
Thursday, 1 June 2000

1945, a Liberator bomber took off from just south of Darwin. That was flight A72/160. It refuelled at Truscott air base, just west of Kalumburu on the north Kimberley coast. It took off again heading towards Indonesia, but within minutes of taking off it crashed killing all those on board: Skipper and Flight Lieutenant Frank Sismey; Second Pilot and Flying Officer William Bell; Navigator and Warrant Officer Thomas Rust; Flight Sergeant Max Bailey; Flight Engineer Len Duncanson; Flight Sergeant Ivan Easton; Wireless Operator and Air Gunner Walter Allan; Warrant Officer, Wireless Operator and Air Gunner Lesley Cos; Flight Sergeant and Air Gunner John Hollis; and Air Gunner John Herps. All those men lost their lives in the service of their nation.

On 20 May 2000 I was a guest of the veterans of Truscott air base, including Howard Young and his dedicated helpers. With the permission of the Kalumburu Community Elders—including the chairman, Mr Albert Bundamurra; Mr Jack Karada; Mr Louis Karada; and the community adviser at Kalumburu, Paul Cooper—a number of people from around Australia who saw service at Truscott air base were invited back to a dawn service to commemorate the occasion of those deaths. It was a very solemn occasion. I believe it is a credit to Howard Young to head up this band of volunteers who each year host this commemorative service.

Truscott air base is a little-known air base that was used primarily during the Second World War, but it is a base steeped in history because it was there that we came under fire from enemy aircraft and bombing during the Second World War. The Truscott Veterans Association wished to commemorate the name Truscott in the history of the RAAF here in Australia because of the significance of that base and the lives that were lost there.

Today it serves primarily the purpose of a re-crewing facility for petroleum explorers in the Timor Sea. With the increasing popularity of the use of this base, it will become an economic base for the Aboriginals of the Kalumburu community. It has great facilities: it has accommodation for approximately 20 people; it has all the mod cons of communication and power supply; it has an approximately 1,800-metre surfaced strip that can handle most aircraft in service in the area. It is a credit to the current owners, the Wunambal Gammbra community, that they are promoting this facility for the use of Australian explorers. They are putting their shoulders to the wheel, so to speak, to make an economic base for themselves and to earn an income, and to make themselves a little less dependent upon the government purse.

It is such actions that clearly indicate to mainstream Australia that Aboriginal groups around this country are well and truly capable of showing their merits as far as creating their own economic base and standing alone is concerned. There is no doubt that, when that takes place more and more around Australia, there will certainly be a greater preparedness by people to accept our Prime Minister saying sorry. In the meantime, I must add that we are all committed to reconciliation because it will be a very special part of Australia’s future. And, in the meantime, so long as Albert Bundamurra and his helpers at the Kalumburu community can work towards that goal, they will continue to be a credit to all Australians.

Goods and Services Tax: Effect on Incomes

Mr MARTIN FERGUSON (Batman) (5.40 p.m.)—I rise this evening to talk about some recent comments of the Prime Minister about the labour market. When you take a look at the economic parameters of this year’s budget papers a few things strike you as a bit strange. The budget papers say that nominal wages will rise by 3¾ per cent in 2000-01. They then say that prices will rise by 5¼ per cent. That means—and I challenge anyone to argue to the contrary—that Australian workers will be forced to take a real wage cut of 1½ per cent. I think Australian workers might be a little bit alarmed to learn that their real wages will be cut by 1½ per cent. I think Australian workers might be a little bit alarmed to learn that their real wages will be cut by 1½ per cent next financial year, and they might be asking why the Howard government did not tell them. That is right—the Howard government did not tell Australian workers that the GST will cut their real wages next year; they just assumed it.
The Treasurer claims that people are compensated by tax cuts and that you can only look at these things in post-tax terms. It appears that the Minister for Employment, Workplace Relations and Small Business disagrees, because he has used pre-tax real wages for over a decade. He points out that the government cannot deliver the outcome it forecasts in a deregulated system. ‘It can’t be done,’ he says. The Prime Minister and the minister for workplace relations stand up in parliament talking about pre-tax real wages. On that basis, it is very clear that Australian workers face a cut in their real wages because of the GST. If the government would like to suddenly start talking in post-tax terms, I am happy to go on with that debate. Of course, post-tax terms are now irrelevant for many Australian families because their tax cuts have been wiped out by the GST driven increases in interest rates.

Post-tax terms would also force the Howard government to concede that Labor in the 1980s produced the unique combination of record employment growth and the biggest increase in the disposable incomes of low paid Australian workers in many decades. That period also delivered to Australian families quality child care, Medicare and a world-class superannuation system. Because Labor invested in these things—our social capital—we also managed to maintain broad support for the modernisation of our economy. It is that period of modernisation that provided the underpinning of nine years of economic growth—something that organisations, such as the OECD, readily acknowledge. Even in post-tax terms, the GST driven interest rate increases have already wiped out the tax cuts of many Australian families.

I would ask that people contrast Labor’s approach with what we have had under the Howard government. Under the Howard government, we have had employment growth fall from 20,000 per month in Labor’s last term to 13,000 per month. Under the Howard government, we have had cuts to education, cuts to employment, cuts to child care, cuts to regional development, and cuts to family and community services. It is all about real take home wages, real disposable income. All we have to look forward to is a GST, rising inflation, rising interest rates and a greater struggle for the individuals, families and communities that want to turn the Prime Minister out of office.

The government has divided our people and chosen populism over policy. It has left too many people and places behind, and it lacks all ambition for our nation’s future. If the Prime Minister wants to talk about real wages, interest rates or jobs, let us have the debate. The only way to move forward is to move forward together, but this government is doing nothing but holding it back. In that context, I want to also say that is not just my view. I refer to comments made by the member for Herbert this afternoon in the Main Committee, when he finally admitted, as many Australians believe, that this government is too city-centric. I urge people to refer to Hansard.

In conclusion, as shadow minister for transport, I also want to express my condolences to the family, friends and communities affected by the tragic crash of the Piper Chieftain in the Spencer Gulf last night. As shadow minister, I will work to ensure that all their questions about why and how this happened are answered. It is a tragic event for the families and their communities, and my thoughts are with them.

Neville Bonner Indigenous Scholarship Fund

Dr NELSON (Bradfield) (5.45 p.m.)—When this country is finally reconciled with its indigenous people a special place will be accorded to an early pioneer—that is, Neville Bonner. Neville Bonner was a Queensland Liberal senator for 12 years from 1971. Neville’s life was a study in reconciliation long before the term was fashionable and used in its contemporary sense in terms of reconciling our relations with indigenous Australians.

Last night the Prime Minister announced the establishment of the Neville Bonner Indigenous Scholarship Fund in Political Science into which he has committed the government to putting $400,000. Pfizer Pharmaceutical Company has already committed itself to add another $30,000. What that means is that one indigenous person each
year will receive $17,000 as a stipend and all of their HECS responsibilities will be paid up front out of this scholarship fund to enable them to do an honours year or some other postgraduate qualification in political science. It is a means for doing whatever we can as a country to positively encourage Australians of Aboriginal or Torres Strait Islander background into the political environment.

This morning I awoke to read not only news reports of this important, positive and, dare I suggest, reconciling initiative on the part of the Prime Minister but also that there were calls, as we have had in the past, for specific numbers of places to be set aside in the federal parliament for Aboriginal people. Whilst I understand the exasperation in parts of indigenous Australia that more representatives from indigenous Australia are not here in the federal parliament, I think that Senator Aden Ridgeway, for whom I have immense respect and extremely high regard, put it into context when he described these four places that might be set aside as being only of a temporary nature. He was reported as saying that it would be a temporary measure until such time as Aboriginal people were able to arrive in the parliament on their own merits.

If specific places are to be put aside in the parliament for any group of people in our society we are actually passing a vote of no confidence in our democratic institutions—indeed, an institution that has already brought to the federal parliament two Aboriginal Australians, Neville Bonner and Aden Ridgeway.

Neville Bonner said in his preselection speech to Liberal Party selectors in 1971, ‘In my experience of this world, two qualities are always in need: understanding and compassion.’ Unfortunately, they were not the words that sprang to mind when this morning I heard Mr Charles Perkins describing, in most extreme terms, the Prime Minister and those who might support the Prime Minister’s position on a range of indigenous specific issues. Mr Perkins has achieved many good things for Aboriginal Australians through the advocacy and the courage he showed on behalf of Aboriginal people in his early life. I think he has diminished his own achievements, if not himself, by his language and the way he has sought to present his criticism of the Prime Minister.

I would like to thank the 320-odd people who came to Old Parliament House in Canberra last night, and those who sent financial donations in support of it, for a dinner in honour of the late Neville Bonner. It was, I think, an appropriate and, at times, moving function in which we celebrated the life of a most extraordinary man who showed humility in the face of adoration and grace in the face of what, at times, were most strident and hostile actions that were taken against him not only by non-indigenous people but also, painfully at times, by indigenous people. I wish to thank Stan Grant, Channel 7, Flo Grant, Agnes Shea from the Ngunawal people, the Jaram Dance Theatre and Reverend Ron Williams for their contributions. I thank Slim Dusty and his band for performing and writing a song about Neville Bonner and his life. We are greatly enriched for having had this man not only in our parliament but also in our country. (Time expired)

Broadcasting: Televised Sporting Events

Mrs IRWIN (Fowler) (5.50 p.m.)—Last weekend there were a number of major football matches held around Australia. Rugby league and AFL rounds were well covered by free-to-air television, but strangely the match which had the largest ground attendance was not directly broadcast on free-to-air television. That match was not the final of the Super 12 rugby competition, but that is another story. The game that attracted a record crowd of 42,764 to Subiaco Oval in Perth last Saturday was not an AFL game. It was not a game of rugby league. It was a semifinal match between the Perth Glory and the Wollongong Wolves in the National Soccer League.

If the AFL grand final or the NRL grand final were not broadcast live there would be an enormous outcry. Fans of those codes would demand that their government take action to ensure that there was live free-to-air coverage. But a commercial television network licensed by this government can turn its back on a huge viewing audience without the Minister for Communications, Information Technology and the Arts saying a word. How many viewers watch soccer? Let me give you
the facts. The 1999 AFL grand final had a viewing audience of 2.97 million. The NRL grand final had a viewing audience of 2.9 million. Compare that with the viewing audience for the Manchester United versus Australia game last year which attracted a viewing audience of four million. Why was last Saturday’s soccer semifinal not broadcast live and why will this Sunday’s final not be broadcast live?

Before you think about that question, I should explain the full situation. Channel 7 has an agreement with Soccer Australia giving it exclusive rights to televise soccer in Australia. Channel 7 actually paid Soccer Australia $25 million for exclusive rights for 10 years. So why did they not show the game live? Why was it that, having shown highlights of every AFL game in its sports news, Channel 7 did not even show a glimpse of the soccer game? Around the bars of soccer clubs it does not take much for rumours of conspiracy to get started. So, when a television network with a high stake in AFL pays out big dollars for exclusive rights to soccer and then stops it from going to air, you have to wonder if there may be some truth to the rumours.

Why won’t Channel 7 broadcast the final this Sunday? Take a look at its program line-up next Sunday afternoon. Channel 7 in Sydney gives us continuous AFL from 11 a.m. to 5 p.m.—six hours of AFL but no time for soccer. Does Channel 7 want to kill off soccer in Australia? Does it want to convert all of us to Australian Football? Fortunately, the game of soccer is bigger than the likes of Channel 7; fortunately, the ABC provided a delayed telecast of highlights of last Saturday’s match and will provide 55 minutes of highlights of this Sunday’s final; and, fortunately, SBS provides a good coverage of Australian and international soccer.

With over 600,000 active players and at least four million fans, soccer is the biggest football code in Australia. Surely with this level of support the semi-finals and finals of the National Soccer League deserve to be declared ‘classic sporting events’ and therefore subject to the anti-hoarding provisions of the Broadcasting Services Act. This would force Channel 7 to show the finals live on free-to-air TV or allow them to be shown live on ABC or SBS for a fee of $1. Will the minister do this in time for Sunday’s match? I could hope that he is a Carlton supporter who does not mind seeing his team beaten by Wollongong live on free-to-air TV this Sunday.

Moore Electorate: Two Rocks Medical Services

Dr WASHER (Moore) (5.55 p.m.)—Around budget time each year debate has focused on the way we allocate Commonwealth funding around the nation, and a fiscally responsible government always looks at the areas most in need as a priority. It is the method that we use to decide what areas are most in need that I want to visit this evening. As an MP in an outer metropolitan seat in Western Australia, it is a common subject of discussion with local authorities, services and individual constituents that we tend to let fall through the gap. Much of my electorate cannot be considered part of the city as we still lack much of the infrastructure enjoyed by more established inner city areas, but we certainly do not fall under the definition of what could be considered a rural or regional population.

A serious implication of this is the lack of medical services. There is a coastal town in my electorate called Two Rocks, where the only GP is leaving after trying to sell his practice for six years. He simply could not attract another doctor to the area, which is 60 kilometres from the Perth CBD, with a catchment area of more than 5,000 residents, many of whom are elderly. This doctor is run off his feet and has had enough.

Not only will this area lose a doctor but I understand that the dentist will also be going and the pharmacy will most likely close as it will lose much its business without the customers coming in to fill their prescriptions. I am very concerned about this domino effect. This is an area with so much potential that it should be moving forwards and not backwards. The irony is that the Two Rocks area is now facing many of the same threats that are faced in the bush, but as it is defined as ‘metropolitan’ it is not considered as an ‘area of unmet need’ and cannot attract a GP through the associated incentives. In addition, overseas trained doctors cannot practise in
Two Rocks because it does not meet this classification.

We have a doctor who trained in India, who has practised for many years in the UK and who is willing to take over the Two Rocks practice for at least five years. He is unable to obtain a Medicare provider number unless the area is defined as one of unmet need. The benchmark for defining an area of unmet need for a rural area is one doctor for every 1,000 people. This area has 5,000 people and is expected to grow to around 8,000 in two years. Instead of one doctor for every 1,000 people, we have no doctor for 5,000 people.

If the Two Rocks area is without a doctor, my constituents will be making at least a 25-minute drive to the nearest medical centre—that is, if they can get an appointment, as its catchment area will rapidly expand and be overworked, adding to the problem because of the Two Rocks doctor leaving. This trip could be shorter, but as an outer metropolitan area we are still waiting for major roads to be extended and it requires a little imagination with your street directory to make the journey—that is, if you own a car. As I said earlier, many of these people have retired in Two Rocks and rely on public transport, which also fails to live up to the expectations you would normally have in the more established areas.

As a doctor I am also concerned about elderly patients, who have enjoyed the services of a local GP for many years now having to make a long journey when they are ill, on a bus with a very scant timetable. To me this is unacceptable, especially when there are capable overseas trained GPs willing to work in Two Rocks but unable to do so under the definition of ‘unmet need’. I accept that there will come a day when Two Rocks will become more urbanised and enjoy the associated infrastructure, particularly as it is part of a region considered to be the fastest growing in Australia. However, high on my wish list is a temporary definition of an area of unmet need with a review clause after, perhaps, five years. I commend the Minister for Health and Aged Care, Dr Wooldridge, on his work to date on attracting doctors to areas of unmet need and on his willingness to tackle this problem. I look forward to working with both the state and federal health ministers to expand this program to include areas that are not in the bush but that face the same lack of health services.

Question resolved in the affirmative.

House adjourned at 5.59 p.m.

NOTICES

The following notices were given:

Mrs Irwin—to move—

That this House:

(1) recognises the protection of children from abuse is fundamental in a civilised society;

(2) is alarmed by the apparent rise in child abuse and neglect despite the efforts of the National Child Protection Council; and

(3) calls on the Government to urgently focus more resources in implementing a national approach to the prevention, repair, intervention and research into child abuse.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Government Departments: Foreign Exchange Movements

Mr HATTON (Blaxland)—I want to speak today about government waste and mismanagement; in particular, in a number of government departments. In today’s *Sydney Morning Herald* we see this heading: ‘$3bn hip-pocket bungle’. Luckily, in the Commonwealth, we still have an Auditor-General. We know that, in the former government in Victoria, Mr Kennett did away with his Auditor-General. But the Auditor-General still operates here in the Commonwealth. What did he find when he looked at four government agencies? He found that they did not hedge at all for foreign exchange movements and the total cost of not hedging was $3 billion. That meant that the programs that they were committed to could not be completed in full. The instance given in the *Herald* relates in particular to defence budgets. I will quote from the start of the article:

Australian taxpayers have forked out an extra $3 billion for defence projects because the Federal Government failed to follow basic business principles and protect itself from adverse currency movements.

One would think that we might have learnt a bit from the Westpac disasters and the other banking disasters of some years ago and that we might have thought that a general hedge within the budget through the Department of the Treasury would not be enough to take account of foreign currency movements, particularly with the great volatility there has been in the past year. The article in the *Herald* continues:

The extraordinary blow-out was revealed yesterday in a damning report by the Auditor-General on four government agencies which concluded that “foreign exchange risk was not effectively and prudently managed”.

This government prides itself on its economic management. This is a damning report of the inadequacies of the departments under the control of the government. In particular, the Auditor-General pointed out that, as a result of this mismanagement, the most striking example of its impact was that, instead of Defence being able to secure 14 armed helicopters for Anzac frigates, for which the budget was increased by more than $100 million to $897 million, Defence could pay for only 11, and without any antiship missiles.

That has a dramatic impact on Australia’s defence posture. That kind of mismanagement, that kind of lack of forethought, the fact that the department in only one instance attempted to have some foreign currency coverage, leads to a lessened capacity for Australia. It also leads to a lesser capacity on a broader range of fronts, not only in the lack of procurement of Defence materiel, but also across a whole range of other areas where we could be developing Australia’s infrastructure, and we are not capable of doing so because these costs to the Commonwealth should have been foreshortened, and this did not happen.

Pittsworth State High School: Alcohol and Drug Focus Day

Mr IAN MACFARLANE (Groom)—I spoke in the House earlier in the week about a wonderful first alcohol and drug focus day held at the Pittsworth State High School. Pittsworth State High, along with its parents and the education department, ought to be congratulated, because the problem that we face with drugs, and particularly drugs and alcohol with youth, is often hard for those groups not only to come to terms with but then to deal with. This
School has taken it upon itself to accept that there is going to be drug and alcohol use amongst its students. Where those drugs are illegal drugs, it is moving to ensure that that practice is stamped out. At the same time, it is taking precautionary measures to make sure that students, in terms of what I call the legal drugs—alcohol and tobacco in particular—are able to deal with those substances when they come into contact with them.

The focus day involved various activities throughout the day, focusing on health, legal, social and safety implications of alcohol and drug use. Some of the activities included identifying a standard drink, a danger game which involved developing safe strategies to manage various everyday life situations for young people, and general information on alcohol and drugs, such as the effects on the body, and the law.

The importance of that cannot be overstated. In fact, in allowing students in years 11 and 12 to actually drink alcohol and measure the effect on themselves as they consumed it, they were further able to hit home the message that when people drink they actually place themselves in danger. Whether it is danger from doing something silly and perhaps being hit by a motor vehicle or whether it is danger from having unprotected sex, this realistic and practical approach that the students and parents of the Pittsworth State High School have taken, I believe, is a clear signal not only of their responsibility but also of a project which will have great success. I should also congratulate the Pittsworth Shire Council which, along with the department of health and the department of education, fully supported this program. Pittsworth is led by a wonderful mayor, Ros Scottney—a good member of the party, of course. Such leadership runs deep in the Liberal Party.

The parents and the school have done a fantastic job here. One of the most courageous things I saw the parents do was to call an out-of-hours parents meeting where they asked all the parents of students to come along, knowing that one of those parents was in fact involved in drug dealing. They were setting about themselves to out that person and to take the issue of drugs into their own hands.

**Closure of Bonlac’s Drouin Plant**

**Truck Drivers Campaign**

Mr ZAHRA (McMillan)—There are two issues I want to talk about today: the closure of Bonlac’s butter factory in Drouin and the campaign being run pretty much by the Transport Workers Union and the Long Distance Drivers Committee in relation to getting fair rates for those people who provide transport in Australia.

There was a meeting last night—which I was unable to get to because of my responsibilities here—called by the Drouin Chamber of Commerce and Industry in response to the closure of Drouin’s butter factory and the resultant loss of 170 jobs in that community. From the advice I have, it was an event which was organised in good faith by the chamber of commerce. I remember hearing Des Isles, the president of the chamber of commerce, talking about how it would not be and could not be just another bash-up on the Bonlac exercise. I congratulate him on having the courage not to take the soft political option in relation to this issue.

There is a lot of angst in relation to this issue, and I want to make plain exactly what it is that we are asking for. We are asking for exactly the same treatment as was given to the community in Eden in the electorate of the honourable member for Eden-Monaro when their cannery closed, with the loss of 200 jobs there. They got $3½ million from the federal government to assist in the transition of that community to attract new industries and to develop new jobs there, and that is exactly what we are calling for: the same treatment as they got.
In relation to the campaign being organised by the TWU and the Long Distance Drivers Committee, I want to state very clearly my support for the principles of what those people are fighting for. I had the opportunity to go down and speak to the truck drivers who are currently manning a part blockade on the Princess Highway between Trafalgar and Yarragon. These are just ordinary working men and women. These people have a right to a safe workplace and to reasonable rates and conditions just like the rest of us. But unfortunately for them, they are in an industry which is forcing them to really push the limits as far as safety goes and to push the limits as far as their own health goes. When we have situations in this country where we have truck drivers being forced to do unsafe things just to make a quid, just to get by, then this is obviously bad for the rest of us as well, because it leads to unsafe driving practices and a lot of activity on the roads which is going to put the rest of us at risk. I would encourage all members of this House to have a long hard think about the campaign which is currently being undertaken by these people and to support any initiatives at all which make a lot of those truck drivers, those hard-working decent people, safer and our community safer.

**Snow Season**

Mr NAI RN (Eden-Monaro)—I would like to inform the House that it is snowing this morning at Darling Harbour. Ski New South Wales, Tourism Snowy Mountains and Tourism New South Wales have combined forces at Darling Harbour’s Australian Tourism Exchange to showcase one of the greatest aspects of my electorate, Eden-Monaro, the snow. The exchange will provide great publicity for the Snowy Mountains, with 840 international travel agents and more than 100 media personnel from around the world attending the event. Once these travel agents and media personnel have sampled the snow, which, I hasten to add, is the real stuff, I am sure they will want to get to the ski slopes posthaste.

Darling Harbour is not the only place that has been bucketed. I was in Jindabyne and Cooma last weekend, on Saturday night at the Snow Ball in Jindabyne and on Sunday doorknocking for the Salvation Army Red Shield Appeal, and found that I was fighting my way through the snowflakes.

The New South Wales snow season has come early this year. There is currently around one metre of snow at Thredbo, with more falls forecast for this weekend. In fact, all the local resorts—Thredbo, Perisher and Mount Selwyn—had strong falls and are gearing up for a bumper season. Thredbo and Perisher are opening their chairlifts this weekend, one week earlier than usual for the first time in 20 years.

Early snowfalls mean great news for the residents of Snowy Mountains towns. More skiers coming through earlier than expected is a boost to local jobs, tourism and the local economy. Adaminaby, Cooma, Jindabyne, Berridale, Nimmitabel and Bombala will all benefit by the increased activity that happens. I am hoping that travel agents and media personnel attending the Tourism Exchange will inform the world of our bumper season and that we get an increased flow-on from visitors from the Sydney Olympics and Paralympics.

The opening of the ski season on the Queen’s Birthday weekend, 10 to 12 June, will be a fantastic event. Skiers are expected to flock to our resorts, not only for the snow but also for the opening weekend festivities. Cooma is also holding its annual cold climate expo. I wish Gaye Epstein from Tourism Snowy Mountains all the best for the promotion today. I know Anne Foster, David Last and others are involved in it as well. Also, to Kim Clifford at Kosciuszko Thredbo, Ashley Blondel at Perisher Blue Cow and Tim Corkill at Mount Selwyn—all the best for a great winter season.

Overall, whilst the cold snap has provided some grief for Canberrans, in the Snowy Mountains we are over the moon. I would like to remind all our visitors to dress warmly,
drive safely, not forget your snow chains and, above all, enjoy the hospitality of the Snowy Mountains people and the snow.

**Goods and Services Tax: Advertising Campaign**

**Mr Griffin (Bruce)**—I rise today to talk a bit about the GST advertising campaign, particularly the situation around Joe Cocker and his song, *Unchain My Heart*, that has been used.

**Mr Ronaldson**—Don’t sing it!

**Mr Griffin**—The Chief Government Whip is insisting that I do not sing. For the sake of all of us, I will honour his wishes on this occasion, although if he is going out for a beer tonight I might be able to convince him to go into a rendition with me at some late night spot. Not that we do that sort of thing!

What has come up is the outrageous amount of money that has been spent on this alleged information campaign. We have already seen some reaction with respect to Joe Cocker. For example, in the *Australian* yesterday there was the quote:

"It wasn’t supposed to be a political exercise, it was to be an information campaign …"

That is from Festival Records managing director, Jeremy Fabinyi. The article goes on:

... Cocker’s management issued a statement for the singer, who was touring in Europe: ‘Joe does not endorse the GST. He is simply licensing his music.’

This says something about this campaign in terms of the way it has been put. I have been having a bit of a look at some of the songs that Joe Cocker has used over the years and I think we probably could have used some other ones to describe this more effectively. For example, the alternative I put forward is the song *You Know It Is Going To Hurt*, which I think sums up much more the question of a GST in the context of the Australian public.

With respect to the Prime Minister, reconciliation and that debate as it has gone on over the last several years, I would probably recommend *Sorry Seems To Be the Hardest Word*. Going on from that, the Prime Minister could no doubt ask the electorate the question *What Are You Doing with a Fool Like Me?* with respect to the government. If we look at the overall question of the Howard government and how they have gone, we could look to songs such as *Wasted Years, Now that the Magic Has Gone* and *Please, No More*.

After the election, when we look at the current government’s backbenchers and frontbench, no doubt we could look to songs like *Cry Me a River, Don’t You Love Me Anymore?* and *High Time We Went*. Beyond that, when we go to the question of a change of government, a Beazley Labor government and the future of this country, the circumstances the country faces and the work that will need to be done on a whole range of issues after the wasted years of the Howard government, we can look to songs like *Let the Healing Begin*.

Certainly what this advertising campaign shows is that this government has set a new standard, a new low, on the question of expenditure by government on alleged advertising information campaigns. They certainly make me blush when I look at anything that we might have done when we were in government. And when you look to Joe Cocker, *High time we went* is a much more appropriate line.

**Waverley Park**

**Networking the Nation**

**Mr Ronaldson (Ballarat)**—I am absolutely outraged at an article in the Melbourne *Age* on 30 May on the front of the sports pages titled ‘Cold Sav on the outer no appetiser’ by Greg Baum. He said:

Sav Rocca could not have been further out in the cold last night if he had been Scott of the Antarctic. It was Monday, it was pitch dark and more bitterly cold at ghostly Waverley Park than it ever was in the
stadium’s heyday. Wind was rattling madly at the window panes. Rain, turning to sleet, was sheeting horizontally across the ground and water was rippling along the concourses towards the Wellington Road goals as if by a current.

This is the part that I really objected to. He then went on to say:

Only in the European alps, Ballarat and on the early part of England cricket tours is sport played in such marrow-freezing conditions.

It is absolutely outrageous that those comments could be made. That Greg Baum could compare the coldest hole in the world, which is Waverley, to beautiful, balmy Ballarat is absolutely beyond me. On behalf of the people of Ballarat, I demand an apology from Mr Baum for this outrageous slur on Ballarat. Honourable members will know that Queensland actually stole our slogan that we were ‘absolutely beautiful one day, absolutely perfect the next’. Queensland stole that from Ballarat and turned it around for their own benefit. Greg, if you are listening, which I hope you are, please apologise for this outrageous slur.

Yesterday there was an announcement in Ballarat of some $1.2 million in funding under Networking the Nation. As honourable members will know, this information technology industry grew by 12 per cent last year and created some 17½ thousand jobs. Ballarat is leading the way in western Victoria, proving that it does not matter whether you live in Lexton or in Little Collins Street, if you have telecommunications access at a competitive price you are very much in business. One million dollars was allocated to the Regional Connectivity program, enabling 12 community enterprise centres to be developed throughout western Victoria. A further $135,000 was allocated to the Chamber of Electronic Commerce, western Victoria’s Mainstreet.au project. I am very pleased that the Ballarat and District Aboriginal Cooperative received $50,000 to review the opportunities available to rural indigenous communities in Victoria. On top of that, there was a state-wide program of a further $½ million to provide funding for an additional 24 school programs across country Victoria. Great news for everyone.

Waverley Park

Mr GRIFFIN (Bruce)—I did not intend to rise again today, but after the contribution of the Chief Government Whip, I feel honour bound to defend my electorate. He has stood here today and attacked Waverley Park, a very fine stadium in the south-eastern suburbs of Melbourne which my electorate office is in fact next door to. How he can stand there and attack Waverley Park in the context of a comparison with Ballarat is an amazing thing. I have been to Ballarat. I spent a week there one afternoon. The fact is that when it comes to the question of cold—*(Time expired)*

Mr DEPUTY SPEAKER (Mr Nehl)—Order! In accordance with standing order 275A the time for members’ statements has concluded.

LOCAL GOVERNMENT (FINANCIAL ASSISTANCE) AMENDMENT BILL 2000

Second Reading

Debate resumed from 31 May, on motion by Mr McGauran:

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 expresses its concern that the Government:

(1) has cut Financial Assistance Grants (FAGs) to local government in real terms since coming to office;
attempted to terminate the 25 year Commonwealth local government funding partnership by trying to transfer responsibility for local government FAGs funding to the states;

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

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

has hit councils with major GST compliance costs with inadequate compensation or assistance”.

Mr SNOWDON (Northern Territory) (9.59 a.m.)—I rise to speak in the debate on the Local Government (Financial Assistance) Amendment Bill 2000 for a number of reasons, not the least of which is to point out the anomalous situation which exists in relation to the distribution of funding for local governments in Australia. I note the amendment which has been moved by the Labor Party. It is worth repeating the elements of that. In our amendment we are concerned to address the question of the cuts, in real terms, that the government has made to financial assistance grants—FAGs—to local government since first coming to office; the attempt to terminate the 25-year Commonwealth-local government funding partnership by trying to transfer responsibility for local government financial assistance grants funding to the states; the failure to exempt local government service from the GST as the government promised before the 1998 election, only to renege on this commitment within months of regaining office; the imposition of a regressive and unfair tax on essential services provided by local government to communities in regional Australia; and the way in which the government has hit councils with major GST compliance costs, with inadequate compensation or assistance.

I want to explore for a moment the way in which the Commonwealth funds local government. The Commonwealth provides local government financial assistance grants and local government untied road funding to the states under the Local Government (Financial Assistance) Act 1995 as a specific-purpose payment for on-passing to local government. This amount in the financial year we are about to complete was $1.3 billion. The total amount is determined by the Commonwealth Treasurer, and it is increased annually by the movement in general revenue grants provided to the states.

The interstate distribution of the financial assistance grants is on an equal per capita basis. The road funding is distributed between the states on the basis of criteria established under the Australian Land Transport Development Act 1988. The state grants commissions determine the intrastate distribution of both these payments to local governments. Distributions must be made in accordance with national principles, which require, firstly, that FAGs be allocated as a minimum grant to all councils which is not less than 30 per cent of the total funds distributed on an equal per capita basis; the remainder on the basis of horizontal equalisation and effort neutrality, and individual council policies should not influence their grants. The principles require recognition of the needs of Aboriginal and Torres Strait Islander people; and that account be taken of other grant support received by local councils, such as through specific-purpose payments. Secondly, the principles require that the identified road component be allocated on the basis of relative needs of councils for expenditure on roads and to preserve road assets.

The interstate distribution on an equal per capita basis and application of these principles means that the distribution of Commonwealth grants to local governments does not achieve horizontal fiscal equalisation among local councils across Australia or within any one state. Work undertaken by the Commonwealth Grants Commission in 1991 suggested that a distribution very different from equal per capita would be required if state grants were allocated on the basis of fiscal equalisation principles. The guaranteed minimum grant means that equalisation within a state cannot be achieved, because councils with no relative needs or
more revenue than they need to fund standard service provision receive funding. As a result, the needs of other councils cannot be met and they are not funded to enable them to provide standard services.

That is a very important issue, which impacts gravely on my constituents in the Northern Territory. I want to explain how that is so, and why there should be a review of the way in which the Commonwealth provides these funds to state and territory governments for the allocation for local government purposes.

We require that once these funds are received by the states, whilst they have got a minimum, they use the fundamental principle of fiscal equalisation in their distribution. Yet when taxpayers’ funds are made available by the Commonwealth to state and territory governments for distribution to local governments, they are not required to use the same principle. Of course, they are for other Commonwealth grants. All general revenue assistance made available as a result of Grants Commission recommendations are based on this question of horizontal fiscal equalisation. That means that all states and territories are then given resources to provide a similar standard of services to all their citizens so that they are roughly equitable across Australia. This is not the case for local government. In that context, we have seen an abrogation of responsibility by the federal parliament over a number of years—not only since the Howard government came to office—to local government, particularly in more remote communities.

I have in front of me a letter written by Senator the Hon. Ian Macdonald in his capacity as Minister for Regional Services, Territories and Local Government to the President of the Local Government Association of the Northern Territory. The letter is effectively a form letter in which he informs the association, as he is required to do, he says, under section 17 of the Local Government (Financial Assistance) Act 1995, that a review of the act will be undertaken before 30 June 2001. He points out that section 17 of the act specifies some areas that must be covered by a review. The act also requires him to review other matters relating to local government that he may determine. That is significant, Mr Deputy Speaker, for what he did not determine. He points out that he has drafted terms of reference which followed discussions between his department and the Commonwealth Grants Commission. Before finalising these terms of reference, he has sent copies to the respective state and territory ministers. He points out that the review is to commence soon, as he wants comments by 3 May 2000. I would like to quote the following paragraph of his letter:

I am conscious that some in Local Government would have liked wider terms of reference to allow a review of the interstate distribution of funding. I am also aware that there are some that do not want the interstate distribution reviewed at all. This has been a contentious issue between States for some time, and was extensively debated as part of the negotiations over the 1999 Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. The Federal Government does not support re-examining this matter as part of this review. For those Councils or Associations wishing to pursue this matter I suggest you approach your State Government for appropriate attention. What a cop-out. The fact is that this minister, and this government, by virtue of this minister’s response, have totally washed their hands of looking at any way to fairly distribute these financial assistance grants through state and territory governments to local governments around Australia.

I also have in front of me a letter, in response to the letter from Senator Macdonald, from the Northern Territory President of the Local Government Association, Margaret Vigants, in which she says:

You have advised in your letter of 17 April 2000 that the review is “an important part of the Government’s desire to enhance equity between councils”. In view of this objective, Minister, we would
ask that before you approve the final terms of reference for the review, you examine the equity issues associated with the current funding levels councils in the Northern Territory receive under this act.

There are 69 councils in the Northern Territory under various forms of local governance. They include metropolitan councils such as the Darwin City Council, the Alice Springs Town Council, the Katherine Town Council, the Tennant Creek Town Council, and others. They also include a number of community government councils which are government councils under specific legislation in the Northern Territory for Aboriginal communities. And they also include incorporated Aboriginal communities and organisations who carry out local government services in Aboriginal communities around the Northern Territory.

This is an important feature because local governments in the Northern Territory do not share the same attributes as local governments elsewhere in Australia, nor do they share the same responsibilities. Their responsibilities are different. What Mrs Vigants has done is provide some information to the minister on the way in which grants are made available in the Northern Territory and what their impact has been.

You need to know that grants to states and territories are done on a per capita basis of around $44 per person. There is, as a result, because it is per capita, no allowance for remoteness, no allowance for disability factors, no allowance for the other issues which are raised when we distribute funds on the fundamental principles of fiscal equalisation. I do not have time to go through those now, but I am quite happy at some future time to point out the elements that go into that determination by the Grants Commission. Suffice to say that, because these are per capita grants, none of these issues are contemplated.

The fundamental issue is that, because grants are made on a per capita basis, states with a larger base, a larger population, get a greater amount of funds to distribute around the state to remote areas. This is significant. You can see how significant it is in the case of Queensland. For example, the Brisbane City Council is eligible for $38 million on a per capita basis, but because of the size of the base in Queensland and the way in which the Queensland government properly distribute those funds, it receives only $12 million, the rest being distributed amongst other councils. The Northern Territory gets a total of $9 million, so there is not enough money to spread around to remote communities on the basis of remoteness and the nature of the services they provide.

As a comparison of how funds are distributed across Australia, in towns with approximately the same population, for example, Darwin City Council and Ballarat, Darwin City Council received $1.3 million as a result of this funding and Ballarat received $5.7 million. Katherine received $450,000 whereas Ararat, of roughly the same population, received $1.4 million. Port Keats, an Aboriginal community to the west of Darwin, received $200,000, and Barcaldine in Queensland, a town of equivalent size, received $1.2 million.

You can see the obvious disparity which results from the way in which the funds are made available. The Aboriginal communities get an operational subsidy from the Northern Territory Grants Commission because significantly they have no rates base. This is true of most of the local governing bodies in the Northern Territory, apart from the metropolitan councils. They do not have a rate base, and they get short-changed in the context of the distribution of these funds because they are distributed unfairly.

Why should it be that residents of North Sydney get the same allocation of resources for local government from this government as do people who live at Kintore? There is no equity at all in the distribution of these funds. Why is it that the people who live in South Yarra get the same level of funding from this federal government as do the people from Tennant Creek, in the case of local government funding? There is no logic to that position. I have made it very clear to others in this place that I intend to make this an issue and continue to develop it as an
ISSUE BECAUSE I DO NOT BELIEVE THAT TO ALLOW THIS DISPARITY TO CONTINUE IS A RESPONSIBLE WAY TO GOVERN.

I NOTE THAT THE GOVERNMENT TALKS ABOUT PRACTICAL RECONCILIATION. I HAVE MADE THE OBSERVATION BEFORE THAT PRACTICAL RECONCILIATION, AND WHAT THE GOVERNMENT TERMS PRACTICAL RECONCILIATION, IS ULTIMATELY ABOUT GIVING PEOPLE THE RIGHTS THEY PROPERLY DESERVE: RIGHTS TO AN EDUCATION, RIGHTS TO PUBLIC INFRASTRUCTURE, RIGHTS TO HEALTH CARE—THINGS WHICH EVERY AUSTRALIAN SHOULD AT LEAST EXPECT TO BE MADE AVAILABLE TO THEM BY THE GOVERNMENT. I DO NOT BELIEVE THAT THAT IS RECONCILIATION AT ALL; I THINK THAT IS A MATTER OF GOVERNMENT ACCEPTING ITS RESPONSIBILITY.

IN THE CONTEXT OF LOCAL GOVERNMENT, THEY HAVE A RESPONSIBILITY, BECAUSE ONE OF THE MAJOR DEFICIENCIES THAT EXISTS IN THIS FUNDING IS THE FUNDING WHICH IS NOT MADE AVAILABLE AS A RESULT OF THE FORMULA TO ABORIGINAL ORGANISATIONS AND REMOTE COMMUNITIES WHICH CARRY OUT LOCAL GOVERNMENT FUNCTIONS. MR DEPUTY SPEAKER, I MADE SOME COMPARISONS A LITTLE WHILE AGO. LET ME GIVE YOU SOME MORE. YOU WILL BE AWARE THAT THE AVERAGE GRANT PAID TO COUNCILS IN THE NORTHERN TERRITORY OR CLASSIFIED AS URBAN CAPITAL CITY, OF WHICH THERE ARE SIX, IS AROUND $1.3 MILLION. THE AVERAGE GRANT PAID TO COUNCILS IN OTHER STATES IN THE SAME CLASSIFICATION IS $2.3 MILLION. THE AVERAGE GRANT PAID TO THE CLASSIFICATION OF RURAL, REMOTE AND SMALL, OF WHICH THERE ARE 23 IN THE NORTHERN TERRITORY, IS $75,500; THE AVERAGE ACROSS OTHER STATES IS $501,000. SO THEY GET ALMOST NINE TIMES THE AMOUNT OF MONEY, AS A RESULT OF THIS PROCESS, THAN THEIR Counterparts IN SIMILAR SITUATIONS IN THE NORTHERN TERRITORY. THAT IS GROSSLY UNFAIR.

I KNOW, MR DEPUTY SPEAKER NEHL, THAT YOU HAVE BEEN TO SOME OF THESE COMMUNITIES. YOU WILL KNOW THE POVERTY THAT EXISTS IN THOSE COMMUNITIES, THE LACK OF COMMUNITY INFRASTRUCTURE AND THE LACK OF SERVICE AVAILABILITY. ONE OF THE KEY ELEMENTS OF THAT IS THE FAILURE OF THIS GOVERNMENT AND PREVIOUS GOVERNMENTS TO ACKNOWLEDGE THIS IN THE WAY IN WHICH THEY MAKE FUNDING AVAILABLE TO LOCAL GOVERNMENT. I THINK IT IS BOTH UNFAIR AND UNREASONABLE FOR THIS PARLIAMENT TO ACCEPT, WHEN WE ARE APPROACHING THE CENTENARY OF OUR FEDERATION, THAT THIS SITUATION EXISTS. THE MINISTER SAYS HE REPRESENTS REGIONAL AUSTRALIA. I NOTE HE HAS BEEN TRAIPSING AROUND NORTHERN AUSTRALIA RECENTLY—NOT VERY SUCCESSFULLY, I MIGHT ADD—TALKING ABOUT ISSUES TO DO WITH REGIONAL GOVERNANCE. THIS IS A MAJOR ISSUE WHICH IS NOT BEING ADDRESSED AND HE DETERMINES THAT IT WILL NOT BE ADDRESSED IN THE REVIEW OF THE LOCAL GOVERNMENT ACT.

IT SEEMS TO ME THAT HE HAS A RESPONSIBILITY TO PUT THIS FRONT AND CENTRE. THE PRIME MINISTER HAS A RESPONSIBILITY TO PUT THIS FRONT AND CENTRE. I NOTE THAT IN THE LETTER FROM MRS VIGANTS SHE SAYS:

YOUR SPECIFIC EXCLUSION OF CONSIDERATION OF THE INTERSTATE DISTRIBUTION OF FUNDS WILL NOT ALLOW THIS REVIEW TO GENUINELY ACHIEVE A MORE EQUITABLE OUTCOME OF FUNDS TO COUNCILS ACROSS AUSTRALIA.

THAT IS CORRECT, AND IT IS SAD. MR DEPUTY SPEAKER, I DO NOT HAVE TIME TO GO THROUGH IN DETAIL THE QUESTION OF LOCAL ROAD FUNDING. BUT PUT YOURSELF IN THE SITUATION OF THESE SMALL COUNCILS, WHICH MIGHT HAVE 200 PEOPLE, 50 PEOPLE OR 100 PEOPLE, IN REMOTE COMMUNITIES WHICH MAY BE 200 OR 300 KILOMETRES AWAY FROM ANOTHER COMMUNITY. THE LOCAL ROAD FUNDING THEY ACHIEVE IS BASED ON THIS SMALL AGGLOMERATION OF PEOPLE LIVING TOGETHER IN A VERY ISOLATED PLACE. THE DIFFICULTY IS THAT NEITHER THIS GOVERNMENT NOR THE NORTHERN TERRITORY GOVERNMENT HAVE ACCEPTED ANY RESPONSIBILITY FOR PROVIDING THE NECESSARY FUNDS NEEDED TO PROVIDE THE TRANSPORT INFRASTRUCTURE, THE ROADS THAT LINK THESE COMMUNITIES. THAT IS AN ABBRACION OF RESPONSIBILITY AND, AGAIN, SOMETHING WHICH SHOULD BE ADDRESSED AS TO THE WAY IN WHICH THESE LOCAL GOVERNMENT FUNDS ARE MADE AVAILABLE OR, MORE SPECIFICALLY, BY THE GOVERNMENT MAKING AVAILABLE A SUITABLE POOL OF FUNDS FOR THESE PURPOSES.

THE AMENDMENT WHICH HAS BEEN MOVED BY THE LABOR PARTY SHOULD BE SUPPORTED. I SAY TO THE GOVERNMENT: IT IS ABOUT TIME THAT YOU GOT FAIR DINKUM. IT IS ABOUT TIME THAT THIS PARLIAMENT...
Mr ADAMS (Lyons) (10.20 a.m.)—What a good speech by my colleague the member for the Northern Territory outlining the total bankruptcy of policy that the government has in trying to look at distribution of taxes to local government and how it can make an impact on improving some people’s lives and equalising the opportunities by putting in services for some very poor people. I am sure that the member is going to continue to raise this issue, as he said, and make it into a major policy debate.

The Local Government (Financial Assistance) Amendment Bill 2000 is to give effect to the government’s undertaking to retain responsibility for payment of general assistance to local government and maintain the level of such assistance in real per capita terms. That is what it is supposed to do. However if we start looking at the detail and dissecting the figures it is clear that it was the pushing and pulling in the Senate and the debates down there and the amendments that were moved by the Labor Party and the minor parties that made the government rethink the abolition of general assistance to local government. There does not seem to be any maintenance in the levels of assistance in real terms for local government.

We, in Tasmania, are very worried about this because, although it is stated in the background papers that the interstate distribution of local government financial assistance grants was on an equal per capita basis, in fact Tasmania did have a formula to deal with its small population. This formula allowed a positive skew to help local government in Tasmania deal with small populations and the big land masses particularly for things like roads, bridges and other infrastructure that affect local government. This has particularly disappeared and now another ogre has popped into place other than the vagaries of the FAGs and this is, of course, the goods and services tax.

Councils will have to include 10 per cent in the price of council services. Many of these services are essential community services that are not provided by private sector operators or the private sector within these municipalities or shires around Australia. No-one is really quite sure what is in and what is out of the GST. We are very close to its implementation but we still do not know. There are still all these vagaries and people not understanding what is going on and not able to get the information. Although government is saying they are spending $410 million we still have these situations. We do not know what is in and out of the GST. We do know whether senior citizens centres hire fees will be in or out. Parking fees, swimming pool admission fees, netball court hire—these are things that if the council did not provide them in the communities no-one else would, and they are really hardly commercial enterprises.

In fact, in some of the smaller country councils there would be no services at all in the community if the councils and the communities themselves on many occasions did not get together and provide them. That is what local government is about to some degree. Local governments have discovered that they are supposed to comply with the GST legislation. They have been given around $2,000 to make them compliance ready—$2,000. And where is this money to come from? From my understanding most medium sized councils face a bill of around $150,000 for merely complying with the new regulations alone, let alone upgrading all their computer programs. And what about the time and work undertaken by their employees to ready councils for all the new costs they are going to have to charge? Obviously it depends on how well equipped these councils were in the first place, but in Tasmania some of the smaller councils are still trying to get themselves up to date with computers. They also have the problem of access to the Internet in the format that many of the city councils have had for some time in the city areas.
The idiotic thing is that the reason why many essential services provided by councils are provided at low cost is that they are subsidised by rates. With the introduction of the GST on many of these services, ratepayers will now be paying for these services twice—once through their rates and then again through the imposition of the GST. I am sure these things will emerge in a very short time. Add all the taxes that will be left, and maybe some state taxes and charges as well, and you could say that people may even be paying three times for the one service. Of course, that will be just a fraud if that occurs, and I believe that it will. Therefore, I would suggest that the rural and regional councils are at a greater disadvantage than their city counterparts. They have fewer resources to start with, they have huge areas to cover, and their funds are dwindling. This bill is not going to assist them with these problems at all.

Tasmania has been forgotten in this process altogether. Just imagine if my regional councils had access to this $410 million Unchain My Heart campaign. How does Unchain My Heart tell anyone anything about the GST, about the introduction of a new tax? It does not. If the money was distributed to my local regional councils, they would put that $410 million to much better use than it presently is. It would certainly help the whole 29 councils and local government areas in my state, and the ratepayers who they represent.

Tasmania recently has been hit very hard by a terrible drought, which I know some parts of mainland Australia find difficult to recall. Someone said to me this morning, ‘I suppose you’re used to it being this cold.’ I had to say, ‘No, not really, it’s extraordinary this weather in Canberra.’ We have had a terrible drought for several years in my electorate. We have not had rain for some time, or very little rain, and it has taken its toll. I was visiting one of my constituents the other day and I witnessed the remains of the last grasshopper plague that had also come through, and I can tell you that it was a very sorry sight on that particular property.

Local councils have been pleading for assistance in this drought and doing their utmost to put forward to this government the need to have recognition that the exceptional circumstances apply within one particular region within the electorate of Lyons. The minister has now given it a tick after being badgered into coming down and announcing some assistance. They have been calling for this measure to help drought proof their municipalities as well, and they are looking positively for that into the future.

I note that there is no hope within this budget that has just been brought down. There is nothing that local government can do to retrieve a little of the disappointment that so many rural people have felt in the circumstances when these circumstances are beyond their control. I know many of my country colleagues know what drought is like. It is soul destroying to see stock dying in paddocks, to have to go out and shoot your prize animals because there is no hope of getting assistance to save them, even when the long paddocks no longer give you any grass.

I would like some of our city colleagues to have to look at this, especially those like the Treasurer who have agreed to spend all this money on the promotion of the GST. What possible good is this government’s self-promotion doing to help the greater understanding of the GST? Unlock my heart? Madam Deputy Speaker, what does unlocking my heart do to give me an understanding of the GST?

Fran Bailey—Unchain it!

Mr ADAMS—Unchain my heart, unlock my heart—it is the same term. When I look at the advertisements being run at the moment it makes me very angry, especially when I see so many of my constituents contemplating giving up their businesses or occupations because it will cost them too much to comply with the complexities of the tax legislation, if they understood what they were supposed to do in the first place. I just hope this booklet that is
supposed to explain everything has a little more to offer than the rest of the junk that I have been obliged to pass on to people because of the lack of any reasonable material.

Local government plays a very important role in the development of communities and the retention of communities that are under threat from bigger centres. This government has not recognised this role, nor has it understood that those in rural and remote areas do not have a similar capacity to their city counterparts to involve the private sector in their activities. In many cases, if the council does not provide the service there just is no service. It is really a matter of understanding that there are different areas and different regions of Australia. When interest rates go up to slow down the economies of Melbourne and Sydney, I can assure you that the Tasmanian economy does not need slowing down, it is just starting to come up, and those fiscal measures affect it as it is starting to rise.

In a few cases where councils have followed the suggestion for competitive tendering and turning one of their core services into a business unit or completely privatising it, there is no real capacity to look for alternative work when a bid for work fails. This has been used as a process to get rid of some of the workers within local government in regional areas. It was forced upon local governments, as the Kennett government did in Victoria. That means that they go bankrupt and that a larger, more secure, usually city council, perhaps from another side of the state, or a private company from a city or the capital will take over the contract for the period stipulated. Of course, they undercut to get in and then there is no competition because the other work unit has already gone, it has been dissolved, the jobs have been lost, usually the income coming into that community has been lost, and, therefore, there is a decline in the turnover within that local government region.

Without that funding and with the imposition of the GST, we will see many councils fight for their very existence. I would suggest to you that many of the country and regional councils probably will not make it. It is a great service to the regions that this government is imposing on them! So much for the Prime Minister’s bush walk—his akubra must have been right over his eyes as I do not think he saw what was going on out there at all; I think it was right down there and he missed seeing any points. When you fiddle with one part of the system like tax, you have to make sure that it is fair all the way through. And this tax is now proving that there is no way that it will be fair to anyone, even for some of the people that it is supposed to be helping the most.

Tasmania is so vulnerable to this sort of tinkering, and it is not a state that is going to take it lying down. The effects of this bill allow the link between local government financial assistance grants and state government financial assistance grants to be broken. It is now at the whim of the Treasurer to increase or to decrease the escalation factor in special circumstances. This government has attempted to shift the responsibility for local government to state and territory governments, but luckily someone noticed that this might not be such a good idea. It will fundamentally change the role of state governments in relation to local government, and now the states have the power to withhold FAGs in cases where a local government fails to collect the GST whatever the circumstances. For states to do this, in light of the lack of information and financial support to implement the GST, would be an extreme punishment, especially as the tax determination on local government activities was only finalised on 1 March this year. There will be amendments to this bill to at least try to make it workable, and we will be moving those.

FAGs funds have been reduced in real terms by about $15 million since 1997-98. There is no commitment to provide for growth by providing additional financial support for this sector of government. I addressed some local school children this morning and talked to them about the three tiers of government and what their responsibilities were, and here we are having one
really disadvantaged. The whole thing has placed an impossible burden on local government which is totally unfair and unjustified. Local government is the closest form of government to the people. It is the area where people most notice that services are or are not available. Even children know whether they are going to get their skateboard ramp or whether their local community centre is closing or needs repair or the swimming pool has closed through lack of funds. It is at this government’s peril to be so cavalier about so many people’s lives and activities.

I am not happy with this bill but it is attempting to place some sort of system in place to deal with all the rest of this nonsensical tax. I cannot see how to oppose it without doing more damage, but we will try to amend it. I will be extremely vocal about it where it matters. The councils and the people of Tasmania will not be forgotten. Tasmania, in particular, has lost out. Those Tasmanian Liberal senators that represent Tasmania in this place in the other chamber should be ashamed of themselves for allowing these circumstances to occur. I will be supporting the amendments moved by the shadow minister.

Ms HALL (Shortland) (10.38 a.m.)—I join with the previous speaker in saying that I am not opposing the Local Government (Financial Assistance) Amendment Bill 2000, but we would not be discussing this legislation if the government had not sought to impose a draconian GST on the people of Australia. Every day we see a new way for the GST to create havoc and hardship in the Australian community. In this legislation, the government is turning its GST sword on local government and extending its tentacles out and forcing ordinary Australians to pay the GST on swimming pool entry; on library services; on the use of the playing fields in their areas, playing fields that have been supplied by their rates; and on most of the services that are being provided by local government. As the GST octopus pushes forward, Australians are seeing the extent of this horrible tax. They are seeing the impact that it will have on their daily lives and on basic services, basic services like the ones provided by their local council, services that have been taken for granted in the past and services they thought they paid for with their rates.

But this government has a different idea. The Prime Minister and his band of merry men and women believe that Australians should pay their council rates and then, on top of their council rates, pay a GST to use those facilities and services that their rates and taxes have provided. John Howard and Peter Costello promised there would be no tax on a tax. Well, I do not know what you call that, but I certainly see that as a tax on a tax. This Robin Hood tax is taking most from those people who can least afford to pay it. It is a very sad picture for Australia. It is the same with councils, because it is those small councils, those councils that are struggling, those councils that are finding it hardest, which are the ones that are going to be hit hardest by this GST.

The implementation costs of this GST for local government are absolutely enormous, as are the administration costs. The Lake Macquarie council, which is the one of the councils that falls within the Shortland electorate, has been forced to hire a GST officer. That is coming out of the rates of the people of Lake Macquarie. That GST officer is going to be paid $43,000. So $43,000 is going to be paid to a GST officer to administer the GST in Lake Macquarie. That GST officer is going to need clerical support. A rough estimate is that it will cost that council about $100,000 in administrative costs. One council in this country will be looking at that sort of cost. If you multiply that throughout the whole of Australia, you can see the enormous impact that the GST is going to have on local government.

And what will it do? It will lead to a reduction in services, an increase in rates or both. Councils have got budgets to manage and they have limited finances. Councils really find it hard to manage. As somebody who has been a local government councillor, I know how
difficult it is to balance that budget, how difficult it is to meet all those competing demands out there in the community and cover them all within the budget. Local government is the arm of government that is closest to the people and the services it provides are the basic services—the things that people see every day. Once the GST has been imposed, local government will not be able to meet these needs in the same way that they can now.

As we all know, it is an old-fashioned tax. It has been imposed on the Australian people by a very old-fashioned Prime Minister who sits there in his chesterfield chair looking back to the 1950s. All we have got to do is look at what happened in Canada. I hope that those on the government side are doing that. After the election that followed the introduction of the GST in Canada, I think there were four members of the government left. I cannot speak for the rest of Australia, but I can certainly speak for the electorate of Shortland. I have been meeting very regularly with people in that area. Be warned: they are angry. They are so angry with this government. They cannot understand why their lives are being turned upside down, why they are being forced to pay this GST on the very basics of life—on all those goods and services that they need to survive.

Another issue that will have an enormous impact in my area is that the Lake Macquarie council is the largest employer. This GST will impact on employment. This will really affect local government’s ability to maintain employment at the current level. The implications of the GST for local government are absolutely enormous. The government should be very wary of its impact. As I said, local government is the biggest employer in my area and it is the biggest service provider in Australia, with $10 billion being provided by local government Australia-wide in a broad range of infrastructure, economic and community services.

In Lake Macquarie quite a diverse range of services is provided. The council has a business unit called Civil Lake and had to consider whether that would have a separate ABN, but the decision was made that it would go under the council’s ABN. Otherwise the council and Civil Lake would be each be charging the other GST. That gives an idea of how ludicrous, how shackling, how bonding this GST will be. There is a business enterprise centre and, as well as doing the usual council ‘roads, rates and rubbish’ activities, the council is the major provider of sporting facilities, libraries, art galleries and senior citizen halls. It also has some caravan parks in Lake Macquarie, but I will touch on that a little bit later.

Councils will have to include a 10 per cent GST in the prices of most of their services. The dilemma for councils is: do they increase the price of fees and services, placing them outside the reach of the people who pay for them? That is what will happen if they increase the prices of fees and services with the GST: it will really be very hard for a lot of people to pay. Or do they absorb the costs and increase the rates? Once again that would create enormous hardship for local governments.

I have here some of the Lake Macquarie council services that this GST will impact on. Currently, the council does not have to charge groups for swimming club room hire but, because of the GST and because everything has to fit nicely with the accounting standards of this government, the council is going to have to put a $7 charge on the hire of its club rooms in swimming clubs to non-profit groups. Instead of costing those groups nothing, it will now cost them $7.70. Council pools do not charge commercial rates; they provide a community service, not a commercial activity. But voucher books to allow swimming in the pool, for 10 adult visits, will go from $17 to $22.55. There is currently no charge for swimming squad coaching, but to fit in with the criteria for GST there is going to be a $45 charge levied which will then attract the GST.

Faxes sent by the library system go up, as do photocopies. Faxing service is provided for lots of little groups—the pensioners, the swimming club, the athletics groups—and so are
photocopies. But they go up. Local history photos which now cost $8 will go up to $8.80. In the art gallery, hire of the open area goes from nothing to $88. That is $80 in the charge to fit in with the accounting requirements and then another $8 GST. Hire of the piano goes up in price; there is a GST on that. All the little groups that go along to Warners Bay and have their concerts, the pensioners’ Sunday afternoon concerts, will now be paying a GST on the hire of halls and of services. Local pensioner groups will now have to pay $8 hire for their pensioner halls and on top of that there will be an 80c GST. Previously, the city parks were controlled by management committees. Those committees will have to meet the requirements of the GST, and GST will be charged on the use of those parks by every person, young or old, that engages in sport throughout the country.

In Lake Macquarie we have some council caravan parks. I certainly hope that Lake Macquarie City Council does absorb that five per cent GST that can be charged on permanent residents in those parks. About 80 people live in caravan parks throughout Lake Macquarie as permanent residents. But once again the council is placed in a dilemma by this government—the dilemma of having a ‘choice’ of whether or not to slug permanent residents and put them in a position that no other resident in Lake Macquarie is in, a position where they have to pay a GST on the home that they live in.

The list goes on and on, and the bottom line is that the residents of Lake Macquarie and every other council throughout Australia will have to pay these GST charges on facilities, facilities that their rates and their taxes have paid for, and continue to pay for. It is interesting to note that this is in direct contrast to a promise—and we know about the promises made by this government—made by John Howard before the election, a promise that non-commercial activities of local government would be tax free. We have all seen how tax free these charges are. We can see that these are not commercial enterprises. Hiring a hall to pensioners? That is not like hiring out a function centre for a wedding. This is about creating an environment where pensioners can interact on a social basis.

I really think that the government has made a very big mistake here. The fact that it and the Prime Minister are locked into the 1950s is so obvious. It as if the whole of Australia is being pushed into a situation where they have to fit in with the Prime Minister’s picture of what Australia should be like, and the rest of the government are going along with it.

Another disturbing aspect of the GST as it applies to local government is the fact that local government will be paying GST itself where previously it was sales tax exempt. This represents a huge cost to local governments. Yes, they will be eligible for input tax credits, but 90 per cent of all council activities will be GST free. This will create enormous cash flow problems for councils and it will put pressure on them to increase rates and charges. Of course, who will be hit the most? The smaller councils. All I can say is that it is going to have an enormous impact on basic services. It is going to affect every area of local government.

The true cost to local government will not be known for some time. As one council after another struggles and starts to go under, the people of those areas will blame this government. When the potholes are not fixed, who will they blame? They will blame John Howard because people like myself will be out there telling them why they have those potholes, why they have no kerbing and guttering, why they have to pay so much money to use the sporting facilities, and why they cannot take their children to the local swimming pool.

While this government under John Howard’s leadership continues to attack ordinary Australians, taxing them in a new way every day, it is spending in excess of $420 million selling its regressive 1950s tax to the Australian people. This government’s extravagant ‘Unchain my heart’ campaign is the worst example I have ever seen, or could ever imagine, of a misuse of taxpayers’ money, particularly when you consider that 51 per cent of Australians
voted against the GST. This government says, ‘You voted against the GST but we are still going to use your money to advertise it.’ They are involved in a blatant political campaign where they are saying, ‘Unchain my heart, release me, but I am not going to tell you anything about how I am going to do it.’

Not only is it immoral and a blatant misuse of taxpayers’ money; it is actually misleading. This regressive 1950s tax of our divisive, backward looking Prime Minister is certainly not unchaining the hearts of local governments or local councils; rather, it is shackling them and restricting them in ways that are unimaginable. This means it is making it harder for local councils to manage, and even harder for them to provide the basic services that they are there to provide. Rather than unchaining the hearts of councils, it will be tying them into taxation knots.

Ms MACKLIN (Jagajaga) (10.55 a.m.)—I take the opportunity today to talk about the impact of the GST on local government areas in my electorate—Banyule City Council and Nillumbik Shire Council. I am pleased to see that the member for McEwen is present today. She also represents part of the Nillumbik council area.

These two councils and, most importantly, the people who live in these areas, are blessed with an enormous array of community services, both sporting and leisure services. We have a very beautiful part of Melbourne and the outer environs of Melbourne to live in. The community is a very active one which participates in a wide variety of community activities, and gets a lot of support from the two councils to do that. There is a wide range of sporting facilities that are supported by the councils. There is a wide range of community halls that the councils own and hire out to different community groups, which does enhance the capacity of the community to come together to pursue their various interests.

I want to talk today about how that will be affected by the GST, because the effect will be very real indeed. Just to give you an idea of what will be the effect on Banyule City Council, which covers most of my electorate, Banyule City Council expects to collect about $1.2 million in the GST. So $1.2 million will be paid out by the citizens of Banyule on the GST as a result of people paying more for the goods and services that Banyule City Council delivers. They also expect the set-up costs of the GST to be substantial, even though they are only getting, I understand, $2,000 in relief from the federal government. The council estimates the set-up costs to be $250,000. So that council will be substantially out of pocket. Of course, we will see the impact flow through to the availability of services for people who live in the Banyule area. We will also see a dramatic rise in the prices of the services that people have come to expect from the council, whether it is directly because of the GST, or because the council has to pass on price rises because of the set-up costs that will flow from the introduction of the GST.

Nillumbik council, the one that I share with the member for McEwen, has so far been unable to give any accurate estimates of what it will mean for them. What they did say to my office this week was that they expect the cost increases to be substantial.

I want to outline some of the specific local facilities that will attract the GST. I refer to sport and leisure centres, which are extremely well used in the area: the Olympic Leisure Centre in West Heidelberg, the Macleod Recreation and Fitness Centre and the Eltham Leisure Centre. Whenever I go to any of those places—and these are just examples, of course—either to swim myself or to watch my children play basketball, they are usually packed with children and parents. They are the people who are going to be paying more to use those terrific services. Swimming pools: the Ivanhoe Aquatic Centre, the Greensborough swimming pool, the Watsonia indoor pool—all of these pools will attract the GST. That will mean increased prices for children and everybody else who uses those facilities.
We have heard a lot about the importance of the halls that are for hire in our communities. We all know how critical they are for our communities, particularly for senior citizens to get together and for lots of other activities, as places to get together and have a good time. The halls for hire just in Banyule, for example, are the Warringal Senior Citizens Centre, the Bellfield Community Hall—and I must say that whenever I go there they cram a great many people in and they will have to do that even more with the increased cost of hiring the hall—the Briar Hill Community Hall, the Macleod Community Hall, the Greensborough Senior Citizens, and I could go on. There are many halls in our area that are fantastically well used. People get so much benefit out of them and, of course, all of them will now have to pay extra because all those halls will have to pay the GST to the council. In the Nillumbik area we will see the increase in cost for the use of the Eltham Community and Reception Centre and the Eltham North Hall, and so it goes on.

Sporting grounds are another case in point. I am sure many of us spend a lot of time at sporting grounds and in the pavilions that go with them. We have some tremendous resources in that regard, as well, in our community both in Banyule and Nillumbik. In Banyule we have a beautiful area along the Yarra River, the Banyule Flats Reserve. We have areas in West Heidelberg, Ford Park, the Loyola Reserve in Bundoora, Partingtons Flat, Petrie Park, Yallambie Park, and the Olympic Park in West Heidelberg from the old Olympics in 1956. All of these parks, of course, will attract a GST. All the sporting grounds will attract a GST. We know that the price of going to watch any of the games that are played—cricket or football or whatever it might be, whether we are watching our children play or we are there supporting our local teams—is going to go up and everybody is going to have to pay more to watch and participate in those local sporting events.

In Nillumbik it will be Eltham Central Park, the Eltham North Reserve, and the Eltham Lower Park—which is a fantastic park with a wide range of different sports played at it. All of these places and more will also see people having to pay more for those sporting facilities. Many people in our area participate in the tennis clubs. The tennis clubs are very active with a lot of people playing at Beverley Road Reserve in Heidelberg, Central Park in Greensborough, Chelsworth Park in Ivanhoe and the Elder Street Reserve in Watsonia. Whichever part of the electorate that I might talk about there are parks, reserves, halls and particular sporting facilities like swimming pools, and all of these places will find that the cost goes up entirely because of this GST.

As I said at the start, the Banyule City Council expects to collect $1.2 million in GST from the users, that means from the people who live in the suburbs of Ivanhoe, West Heidelberg, right out to Greensborough and Watsonia. All of the people who live in those suburbs will be paying more for these tremendous facilities. This is entirely the result of the GST. I just find it extraordinary that we are seeing a tax introduced on these essential community services—services that provide a great place for people to come together whether to keep fit or just to be part of the community for whatever reason. That will now be that much more expensive entirely because of this GST. This is just one more reason, from the Labor Party’s point of view, that this tax is being opposed. It is just one more reason we can see how clearly this is an unfair tax that goes to the heart of attacking our community.

Mr ANDREN (Calare) (11.04 a.m.)—From 1 July, the Commonwealth will cease paying financial assistance grants to the states and will replace them with revenue from the goods and services tax. Thus the link between local government assistance and general revenue assistance to the states will be severed, and hence the need for the Local Government (Financial Assistance) Amendment Bill 2000. The Commonwealth originally wanted the states to take over the responsibility of funding local government. But, given the lack of trust that local governments hold for state administrations, that was never going to work. Local
governments opposed the transferring of responsibility for funding from the Commonwealth, rightly assuming they would get the raw end of the deal from the states.

Whereas state governments have had to go cap in hand to the Commonwealth for grants in years past, any transfer to the states of total funding responsibility for local government would have seen councils having to go cap in hand to Sydney or Melbourne, or whichever capital and whatever state. Given the population distribution of Australia and the strengths of the cities, why wouldn’t country councils, in particular, have been terrified at the prospect of the states doling out the revenue from the GST. Local government is beholden enough to the states and has long sought its proper recognition in the Constitution in its own right. I feel that, properly explained to the Australian people, the issue would now receive a far stronger vote of support from the electorate than it did at an earlier referendum.

No wonder local governments, 80 per cent of which are regional and rural, fought so hard to retain their funding link with the Commonwealth as opposed to the plan to let the states dole out the GST revenue. Those councils knew that state governments, dominated in turn by either Labor or Liberal administrations, would continue to do what they do so well: dole out help to the marginal seats in the heavily populated areas where votes count most. The Victorian experience, however, should be a warning to state and federal governments alike that rural and regional areas too can make or break governments and must receive a fair share of funding. However, councils are not prepared at this stage to accept that the message has got through, and have rightly argued for a continuation of the funding arrangements represented by this bill.

This legislation proposes the continuation of existing practice whereby local government general-purpose assistance is indexed to population and inflation. But the real problem for local government is the need for real growth in the level of assistance. There is nothing in the bill to suggest help is on the way. There is nothing to indicate that the Commonwealth is the slightest bit interested in local government’s argument that it should have a guaranteed real-terms share of revenue equivalent to one per cent of Commonwealth general taxation revenue. In fact, the Australian Local Government Association president, John Ross, confirms that the local government sector needs two per cent of personal income tax or, ideally, six per cent of GST revenue. However, such an arrangement with the GST needs Commonwealth legislation and, most likely, constitutional changes to ensure that a fixed share would indeed be passed on by the states.

Local government should not be the poor cousin of our democratic system. I stated in my first speech in this place that there is an undeniable argument for strong regional local government along with a Commonwealth government. I question the relevance of our states, the waste, the constant arguments over who is responsible for what level of funding, particularly in health care and education. How much easier it would be if our hospitals and schools were all funded from the one source, the Commonwealth. However, with the allocation of GST revenue to the states that ideal is even further away now than it was four years ago. I fear we have now handed enormous power to the states to engage in politically motivated spending rather than nation building exercises. Unless local government is granted real growth revenue, the country/city divide will continue to widen.

Let me record the comments made by Orange City Council’s general manager when justifying a general purpose rate increase this year of over five per cent, substantially above the increase fixed by the state under its rate pegging legislation. Mr Allen Dwyer said, among other things, that the financial assistance grant to Orange City Council from the federal government is estimated to be $1.722 million for 2000-01, an increase of $191,000 over the 1992 allocation. This increase, he said, represents 12½ per cent over the past eight years, whereas the average weekly ordinary time earnings has increased 24.7 per cent over the same
As Mr Dwyer says, the FAGs are pitifully inadequate. Councillor John Ross, of the Australian Local Government Association, with whom I spoke yesterday, says that the fairly narrow review of FAGs now under way is only a formality. As he says, the bottom line demand from local government is a two per cent share of income tax receipts.

Let me give another example relating to road funding. Oberon council in my electorate oversees a local economy which has defied the difficulties in most regional areas in recent years. Through a large expansion in the softwood timber industry and the winning of forestry contracts by CSR, the level of economic activity has accelerated. In fact, the town has enjoyed full employment for the last few years. Many of the benefits of this economic activity are obviously enjoyed by the shire, its residents and businesses, but much more benefit is enjoyed by state and federal governments and shareholders of the major companies, including the New Zealand timber concern planning to take over the CSR operation.

Benefits through state and federal taxes, notably fuel excises, are the sorts of benefits I allude to, yet the public infrastructure tab is largely picked up by the council and therefore by the ratepayers. Oberon estimates it needs an additional $30 million just to bring its road system up to acceptable standard—not to carry the farmers coming into town or the people who may want to travel from Oberon to Bathurst or Lithgow to do some business or the kids who may want to catch the school bus into Bathurst to some of the larger schools, but to carry the commercial transport that dominates the traffic in many cases on those roads and for which there is hugely inadequate recompense to the council to keep up with the level of road repair that is required.

This year’s federal budget provided just $6 million in extra funds for local government roads throughout New South Wales. Growth, which we all want in rural and regional areas, must be met with growth funding for rural and regional local government. While the indexation of roads grants paid to local government makes sense at first glance, such indexation is based on population growth and consumer price index. While the consumer price index is all right for many indexations, it has been suggested in research paper 13 by the Parliamentary Library that a more appropriate index would be a road construction cost index, such as that compiled by the Bureau of Transport Economics. For instance, the road construction cost index rose by 1.75 per cent between 1995-96 and 1997-98, whereas the consumer price index rose by 1.35 per cent over the same period. One wonders what divergences in these indices will appear when the GST is introduced, irrespective of the ability to claim input costs. Let me quote from the communique of the National Rural Roads Congress in Moree on 7 March this year:

276 delegates of Australia’s local governments, community and industry leaders, the engineering profession warned today that Australia’s rural road network is on the point of collapse.

Among resolutions was one particularly important statement:

The funding of rural and regional roads is the broadest community responsibility involving all spheres of government and industries that depend on the road network to profit and grow. Australians living in metropolitan Australia also depend heavily upon the rural road network to deliver goods to them.

And to deliver goods, I might add, to our export markets. A report was recently handed down by the House of Representatives Standing Committee on Primary Industries and Regional Services entitled Time running out: shaping regional Australia’s future. I note that the chair of the committee, the member for McEwen, is present in the chamber and I pay tribute to the work that she and, indeed, all committee members put into that report. I was proud to be a member of that committee. It made several important recommendations on rural and regional
road funding. Recommendation 55 suggested that the 3c per litre of excise collected from fuel sales be preserved for transport infrastructure, with 2c of that devoted to construction and maintenance of regional roads. Another recommendation called on the Commonwealth to encourage state and territory governments to support regional planning for roads by a consortia of regional stakeholders.

The committee heard how the timber road evaluation studies in Western Australia have proved invaluable in this process, but that the ‘weakest link at the present time is the matter of funding for local municipal roads’. The committee learnt that local government in many cases just did not have the resources to carry out the audits of roads and other infrastructure.

This piece of legislation we are talking about today is important in that it recognises a particular reliance on the Commonwealth by local government for its proper level of support. That proper level has not been achieved. In fact, as I said earlier, it falls well short of what is required. But with better planning and a serious look at the recommendations of that infrastructure inquiry, the answers to the needs of rural and regional Australian councils are available. The answer is not entirely in the marketplace. In a country like Australia, it requires a strong investment and strong leadership from government.

This week the Australian Automobile Association and the National Farmers Federation jointly called for an open inquiry into the national competition policy. Both organisations say that if wrongly implemented, national competition policy threatens to strangle Australia’s industries and living standards. That is true. It is also a fact that if competition policy is taken to its extremes, as was the planned imposition of competitive tendering for local government road making, then there would have been no need for the infrastructure when the families of council workers left town.

While competition and economic efficiency are undoubtedly admirable targets for councils and other business communities in rural and regional Australia, there is no way, for example, that a local council road-making operation could compete with a Thiess Brothers contract, with its economies of scale, that could do the job in days, taking the contract money out of town with it. That is the irrationality of the bottom-line rationalist approach. Of course you would save money if you closed every second hospital or shut down every council works depot or even amalgamated every second council, but what would be the social costs of such a policy?

This bill gives effect to the government’s undertaking to retain responsibility for payment of general purpose assistance to local government and to maintain the level of such assistance in real per capita terms. For that, we have to applaud the Australian Democrats for at least retaining this important local government-Commonwealth nexus, even while buckling in to the big business tax, which is the GST.

As Wellington Council told me recently, improved road systems are the backbone for improving rural economies. Improved rural economies mean an improved national economy. The council suggested that immediate initial funding to rural roads should be increased by $250 million in the 2000-01 federal budget. That did not occur by a long shot, and the frustration of rural motorists, business and councils is still alive in rural and regional Australia.

Unless there is a serious review of federal assistance grants with real reform and unless there is a realistic addressing of local road requirements in rural and regional Australia, the cost will be not only political for the major parties but social and economic, and all Australians will be the losers.
Mr WILKIE (Swan) (11.18 a.m.)—I appreciate the opportunity today to speak on a matter that perhaps, unfortunately, will not get the public recognition it deserves but, nonetheless, will affect the lives of all constituents because they, of course, fall under the umbrella of local government.

Before entering federal parliament I had the pleasure of representing the people of the then Civic Ward of the City of South Perth for a period of 4½ years. Being a member of local government offered the opportunity to pursue practical initiatives which have a direct and important impact on the lives of the local community. As a former councillor, I fully appreciate the extent to which local government is stretched in terms of resources and know the difficulties faced in meeting the financial cost of operating in this sphere of government.

It is particularly galling to see legislation before this House that places even more pressure on local authorities. 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. As we shall see by any benchmark, their strategies have fallen way short of the mark.

The draft bill contains information on three critical points that illustrate this. The first is a reduction in the financial assistance grants funding of $15 million in the 1997-98 budget which has still not been replaced. In this respect 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.

The second is its lack of commitment to any real growth in the sector. As I understand it, there is a provision for an increase factor, which is a growth on a real per capita basis each year. That, of course, reflects roughly what there has been 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 amount in special circumstances. Members of the community will take some note of that and want to exercise some scrutiny over any attempt to vary that escalation factor. On past performance I would not give the Treasurer the opportunity to dabble in anything lest we regress to open sewers and dirt roads.

The third is the lack of support or information supplied by the Howard government to local government on implementing the new taxation system. 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 voluntary or notional GST payments for which it should be liable. This 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.

I note with some concern the views expressed by the members on the other side of the House and I quote the member for Barker when, referring to real reductions in past grants, he said:

It is not the fault of the Commonwealth government; it is because of the decentralisation process between state and local government.

He went on to add:

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 to take the matter of increasing cost to their respective state governments.

Madam Deputy Speaker, this is plain rubbish. As this government has to learn, with power comes responsibility and obligation.

Worse still, this government also changed the role of state and local government interrelations. In the past, state governments assumed the role of banker in trust to local government. They did this by forwarding the financial assistance grants to all local government authorities. Under this bill, this role will be altered to provide states with the power to withhold these financial assistance grants in cases where the local government fails to act as the tax collector for the federal government.

As many of us who have been in local government are aware, the relationship between council and state and federal governments can be a complex and obtuse beast. It is also notable that in many states that relationship has been increasingly tense due to political and economic pressures. It is in some cases unfortunate that, over the years, 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 do not keep up with their ever increasing costs.

Importantly, it must also be stressed that the inherent nonsense that this government and other conservative governments espouse about devolution will come back to haunt them. The irony is that whilst they have devolved or, to put it more appropriately, abrogated their responsibilities to other forms of government, they have not been prepared to back it up financially. Here is the situation—and I will give an example of a case in my electorate of Swan. They are forced to spend $50,000 to comply with the new tax and they get about $1,000 compensation for their efforts. They might be running close to the bone because their grants in the past have been reduced and now they are an unpaid tax collector who, if they do not comply adequately, will have all their funds held over.

I doubt if the community at large fully appreciate that their rates are being used to subsidise the government’s new tax. The perplexing issue and one well understood in the wider electorate is the increased burden that is going to fall on local government in delivering and paying for all services. This will increase rates even further. In fact, the sum of $50,000 can be equated, for example, to a ½ per cent rate increase in South Perth, one of my local government authorities. That ½ per cent, $50,000, is a significant impost on the people of South Perth, particularly given that they were told that rates were GST free. This is nonsense, because somewhere along the line they have to pay for the GST. It will not be 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 all residents.

The government knew a long time ago about the level of complexity and the strains that would be placed on local government with the increasing burden of the GST, and yet we find that they did surprisingly little to assist. I also understand that there has been much concern expressed by peak bodies such as the Western Australian Municipal Association. They indicate that the total compliance cost for local government authorities could approach $2.5 million in Western Australia alone.

The other issue 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. In Western Australia in their generosity the federal government scratched up a measly $402,000. To put that in perspective, local government in Western Australia has a total budget of around $1.73 billion. It employs 9,900 full-time staff and 1,900 part-time staff. It covers an area of about twice the
size of Europe. Yet this government only allocates a fraction of the required amount to implement this tax.

As I understand it from various discussions I have had with one local government in the area, compliance costs could reach $50,000, if not more, to put the necessary computer equipment in and just to handle the most basic elements associated with the application of the GST and comply. However, I have been informed that that local government has only been given $1,000 by way of assistance. Taken in this light, that $1,000 is not going to go very far to help them comply.

The $50,000 per council that they need to implement the GST compliance requirements certainly will not be met by those funds. It is not just me saying this. It is coming from local government associations and a whole range of councils right across Australia. As Mr Michael Robson, Secretary of the City of Belmont Ratepayers and Residents Association states:

The government’s funding to assist in the implementation of the GST falls far short of the expected direct cost to each local council. It is inevitable that the shortfall will be passed on through a significant council rate increase. This cost shifting caused by the federal government should be highlighted to the community as we will be ultimately paying for the shortfall in funding.

As a local councillor and having been a representative of the Western Australian Local Government Association executive, I can also appreciate the pain that smaller regional authorities will have to bear with increasing compliance and input costs. They will still feel the impact, yet their capacity to respond to compliance costs and the cash flow burden of the GST will be significantly harder because of their lower rate base.

I therefore find it appalling that at the last count the cost of the propaganda campaign launched by this government to sell the GST has risen to something like $420 million and that only $2.5 million will be split between every local government area in Australia to help them implement the GST. That $420 million might have been better spent on roads and footpaths in local suburbs, or better spent helping run libraries, or assist with the underground power in my electorate.

I am sure that the local authorities could have spent this money very wisely. In fact, to this end I have sought some examples of expenditure in our local area. It costs local government around $35,000 to $40,000 per kilometre to upgrade a footpath. That is from the old slab style footpath to the new in situ concrete. In South Perth alone there are around 170 kilometres of footpaths, and based on current budgetary allocations it will take this authority 10 years for the upgrade to be completed. With an ageing population, the issue of footpath upgrades becomes critical. As our senior citizens use existing slab style footpaths they are prone to tripping on the uneven surface, causing falls which have resulted in serious injuries. Over a kilometre of additional paths could be upgraded in South Perth every year just for the cost of GST compliance.

Consider also that it costs local government about $1 million per annum to run a library, or that the construction and maintenance of a major sector of road can be around $100,000 per kilometre. What a waste to see so much have to go on the GST propaganda campaign. How unfair is it to deny citizens proper services when money is being allocated for political messages.

In conclusion I say to members of this House that we should feel for the plight of local government because much of the necessary funding to maintain this vital link to the community has been savagely cut by this government. We know that, while they cry crocodile tears for local authorities that are doing it tough, they have also spent $420 million on a political propaganda exercise. Secondly, the opposition is correct in its criticism that this bill should not allow the Treasurer to use his discretion to determine the escalation factor. We may also claim that this is an opportunity of providing local government with a fixed
percentage of Commonwealth revenue. Thirdly, given the cost in terms of compliance, there
should be an appropriate investment to cope with the GST, which is estimated to be in the
order of $2.5 million in WA alone, yet there is little or no real evidence of compensation.
Therefore this government stands condemned for its hypocrisy. It talks of its belief in local
government and devolving democracy but its action does not match the rhetoric. What they
have done is give more responsibility without matching this with the necessary resources to
accompany their goals.

Mr BROUGH (Longman—Parliamentary Secretary to the Minister for Employment,
Workplace Relations and Small Business) (11.32 a.m.)—I thank all honourable members for
their contribution to the debate on this Local Government (Financial Assistance) Amendment
Bill 2000. A number of the members have put political party politics aside in the debate and
have remarked on the important contribution local governments make to this nation and, of
course, the councils that sit in them. I understand that there are well over 8,000 local
government councillors on around 730 local authorities throughout Australia. Their
contribution often goes unheralded and it has been a good opportunity for parliament to
acknowledge the work that they do.

However, unfortunately some members opposite chose to use the debate to bring out all the
old scarecrows of the GST yet again, including the misleading and unsupported assertion
that local government will be disadvantaged by the new tax system. Perhaps they should read
the letter from Treasurer of New South Wales—that is, a Labor state Treasurer—to one of the
constituents pointing out quite clearly that local government is, in fact, a winner. The truth of
the matter is that local government, just like any other business, will be able to get the GST
they have paid back on their input tax credits. They will also significantly benefit from the
removal of embedded taxes and cheaper fuel costs. It is true, as government contributions to
this debate have made clear, that the benefits to local government would have been much
greater had the original tax package not had to be modified because of Labor’s opposition to
the original package in the Senate. However, there are still major benefits that have been
achieved by local government: council rates, charges for water, sewerage, compulsory rubbish
collection, regulatory and licensing services and phones and penalties will all be GST free. All
councils will benefit from the removal of the embedded taxes in the wholesale sales tax
system and some other business unfriendly taxes. This has been estimated to be a saving of
some $70 million annually to local governments, far exceeding the $2.5 million for the cost
attributed by the member for Swan for the introduction. For local government there will be
cost savings from the payment of the diesel and alternative fuels grant for all heavy transport
vehicles weighing between 4.5 tonnes and 20 tonnes GBM used to transport goods and
passengers in regional areas, and the cost of diesel fuel will be reduced by around 23c per
litre. Councils will save around 7c per litre on all diesel and petrol used for business purposes.
Any council which uses diesel for marine purposes will benefit from the full removal of diesel
excise.

The savings from the tax reform can be used by local government to improve the range and
quality of services that they provide to their local community and/or to reduce their rates.
Council customers will, of course, pay GST on the council’s commercial activities, and that is
fair enough where local governments compete with commercial operations that will also be
required to charge their customers GST on those services. This is simply being consistent and
fair. It must also be remembered that council customers will receive substantial personal
income tax cuts and increases in pensions and allowances that will more than outweigh any
increased prices of a council’s commercial activity.

In this debate much has been said about the possible cost faced by local governments in
preparing for the introduction of the GST. In this regard I should mention an independent
report prepared by Arthur Andersen for the Victorian government which examined a sample group of four Victorian councils and identified annual savings ranging from $380,000 for a small rural council to $1.9 million for a large metropolitan council following the introduction of the government tax reform. Arthur Andersen’s report does identify some one-off costs for upgrading software, staff training and other costs estimated to range from $45,000 to $200,000 depending on the size of the council.

The government has also acknowledged there will be some costs associated with the introduction of the GST. To assist councils with this implementation, we have provided particular assistance, both from the Department of Transport and Regional Services and through the ATO. Any implementation costs faced by local government will be more than outweighed by the savings available to councils from the removal of imbedded taxes and cheaper fuel costs.

During the debate the opposition has complained about the fiscal necessity of measures taken in 1996 to take account of the more than $10 billion deficit left to this government when we came to office and the fact that this had an impact on the escalation factor for local government financial assistance grants. Unfortunately, the extent of the economic mismanagement we inherited from Mr Beazley’s time as minister for finance meant that the fiscal restraint had to be applied to all areas of Commonwealth expenditure, including grants to local government. It is quite clear where the blame attached to this unnecessary decision lies.

I thank all honourable members for their contributions to the debate on this bill. I note the opposition’s indication that it will not fail to give the bill a second reading and that it has moved an amendment. I move:

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

Question resolved in the affirmative.

COMMITIES

Communications, Transport and Microeconomic Reform Committee

Report: Government Response

Debate resumed from 13 April, on motion by Mr Reith:

That the House take note of the paper.

Mr MARTIN FERGUSON (Batman) (11.36 a.m.)—I rise to speak on the government’s response—or, more correctly, lack of response—to the four key transport reports that were tabled in April of this year. The position is that the government has again wasted a very valuable opportunity and, more importantly, a call from the Australian community to provide a vision and plan for transport.

Each of the reports calls for national leadership to revive our ailing transport structure. Each of the reports calls for additional expenditure, planning and a commitment to transport infrastructure. The reports are Tracking Australia; the Productivity Commission’s inquiry Progress in rail reform; Revitalising rail, the Prime Minister’s own rail task force chaired by Jack Smorgon; and, finally, Planning not patching, the report of the House of Representatives’ inquiry into federal road funding which criticises current road funding mechanisms as illogical. Let us take each of these issues separately, because I believe each report details serious problems with our transport infrastructure system.
Taken as a whole, they paint a stark picture of the parlous state of Australia’s transport infrastructure. They, in actual fact, combined a call for a national plan for the maintenance, renewal and development of our infrastructure. I would have thought that the minister for transport would be interested in this, given that report after report confirms that it is regional and rural Australia that is most affected by the Howard government’s refusal to invest in its economic foundations. But unfortunately, it appears that again the minister is not interested.

Let us consider the opportunities. I believe this was an opportunity for the minister for transport to articulate a vision for land transport in Australia. But instead, virtually every good idea proposed in the four reports has been rejected, marginalised or trivialised—no vision, no new ideas, no new spending initiatives, just a tinkering around the edges.

A great many organisations and individuals went to a great deal of effort and, I might say, expense to make submissions to these four inquiries. However, on any reading of the government’s response and proposed action on these inquiries, both in the reply and in the budget, those people and organisations must now be asking themselves, ‘Why did we bother?’

The government’s response is a mix of initiatives that have already been announced—wait and sees, ifs and maybes. It also includes convenient outs for the minister for transport to blame others if things do not happen—the states, the rail operators and, I suppose, the general public.

A vision statement could have shown the government was serious about creating a world class transport infrastructure system. A response with some vision could have set a unifying forward direction for road and rail planning and been put in action. The minister says:

If the rate of reform does not pick up, there is a danger that rail will drop so far behind the road freight industry that it will never be able to attract the necessary level of investment funds …

And he says:

Changes in Commonwealth/State arrangements associated with the Government’s new taxation system reflect an important devolution of financial independence to the States and Territories …

What is, in fact, being said? What is being said is that he has wiped his hands of Commonwealth responsibility for road and rail and that he will blame the states for his government’s miserable record on transport. These reports are, in essence, about trying to get the government to position itself to actually do something, rather than positioning itself to blame someone else for its lack of progress on road and rail reform.

The announcement in the report that the federal government will proceed to sell their interests in National Rail is, I might say, old news. Or, at best, it is a restatement that they are going to do what they have said they are going to do for years. Another item called a ‘major initiative’ is that the Australian Rail Track Corporation undertakes an audit, starting in 2000. That audit is said to be a network performance and investment audit. What is this? Another investigation? Another report that the minister can sit on for a couple of years yet again? And where in the recent budget was the money to conduct that audit?

A third item under the minister’s ‘major initiatives flowing from the government response’ is to:

Foster, over time, more commercial investment, maintenance and charging arrangements for the provision of land transport infrastructure.

These are not action words, to ‘foster, over time’. These are not the words of someone committed to getting solutions to our community’s need for land transport infrastructure. I believe he should have been actually developing options and putting them forward to force a debate about where we go on a national transport plan into this century.

Instead, what we have seen since the release of this response is the minister’s total botch of the mass limits agenda. This was a deal that was worth $850 million to the industry. It had the
potential to increase the vehicle efficiency—in essence, productivity—of a regular truck by 10 per cent and by up to 14 per cent for a B-double. I contend the minister for transport and Deputy Prime Minister has botched the deal—it has fallen through. It has now effectively dropped off the agenda of the National Road Transport Commission because of the minister’s incompetence. Another purported ‘major initiative’ arising from the report is:

To establish a national rail accident investigation function under the Australian Transport Safety Bureau.

The truth is that this has already been done. It is old news. This is not an initiative arising from this report. We support this initiative, but if it is going to be effective it needs teeth and it needs funding—and that is something we did not see, yet again, in the budget. When the minister says his response signals a new direction in transport, what it really means for us as a nation is that he is turning his back on transport. In essence, he is not interested in his transport portfolio.

The government has also failed to contribute to the debate on competitive neutrality between the modes of road and rail. Again, there is rhetoric but no substance. There is no contribution to the concerns about the structure of road funding and whether it is equitable and fair. There is no contribution to claims by the rail industry that it is being disadvantaged compared to road. By implication, the federal government supports the status quo. There is no contribution to the debate about requirements for roads to be operated on a commercial basis. I suppose it effectively says that this minister is not with it.

On roads, despite running around the country lamenting the state of our country roads, including in his own seat, the minister for transport is again trying to shunt all responsibility onto state and local governments. The response also confirms for the record what we knew all along, that this government has no interest in urban public transport. The government’s overall response is consistent with its ‘trickle down’ approach to policy, as reflected in its comments that:

Within the context of the Government’s overall economic, competitive and fiscal strategy, the Government provides an appropriate level of funding in the budget for its road program.

It also says:

The Commonwealth provides the overall economic, competitive and fiscal framework for transport infrastructure through the tax system, management of the economy and the national competition policy. He should spend a bit of time talking to local councils if he believes that is the case. Local councils, both in the city and in rural and regional Australia, have an entirely different view about whether or not the Commonwealth government is actually supporting them on the road infrastructure front.

What, then, does the Deputy Prime Minister and Minister for Transport and Regional Services say about the industry? You would have thought that the present political climate would have taught the government that our nation needs investment, not a simplistic reliance on trickle down economics. The transport industry wants its good ideas to be backed by government, but the minister for transport is trying to shunt responsibility for national leadership onto everyone other than the national government or the minister for transport.

Our community and economy are bracing for the introduction of the minister’s goods and services tax. The government is spending over $400 million of taxpayers’ money on pure political propaganda to try to solve its difficulties on the tax front, to salvage its political future. In relation to just one transport mode, for instance, that $400 million could have funded the upgrading of a 90-kilometre stretch of single carriageway highway to dual carriageway, or it could have replaced totally at least five decrepit bridges on our highways. In relation to rail expenditure, the $250 million allocated to the interstate track upgrade...
system pales into insignificance in the shadow of that $400 million on GST propaganda. But that is just the tip of the iceberg.

In the House last Monday, in response to my questions in question time about what could have been done with that GST PR campaign money to make our roads better and safer, the Deputy Prime Minister asked me one pertinent question: 

...if they—

Labor—

are so committed to transport reform in this country, why will they not get behind the massive reductions in taxation that we are introducing for transport on 1 July?

I am pleased that he is interested in hearing some of our ideas. I say to him in response: it is precisely because we are so committed to transport reform that we will not get behind your squandering, expensive tax package.

The absolute and undeniable public shame of the Deputy Prime Minister emerges when you look at what could have been done instead of the goods and services tax. The surplus this year would have been $10.7 billion. Instead, we have a deficit of $2.1 billion. That is a $13 billion turnaround. This government has wasted future surpluses trying to buy a GST which will cost the budget $25 billion in the next three years. No economist now credibly defends the argument that there are any efficiency gains to the GST. Instead, it will cost us $25 billion over three years.

Infrastructure and development transport projects would have made returns to our economy in spades, especially in regional Australia in seats such as Corangamite and Herbert. That money would have laid the foundations for opportunities for our regional communities. Instead of being constructively used to develop our nation, that surplus was squandered as hush money for the GST introduction and wasted on a politically motivated GST PR campaign, to date totalling $400 million. Unlike the member for Kalgoorlie, I could have found a lot to do with $400 million in my electorate, whereas he is on the record as saying this week that he could not find anything to do in his electorate with it. The surplus will fade into history, along with the promises on how good the GST was supposed to be.

The response of the Deputy Prime Minister to these four key transport reports is nothing short of a national disgrace. He has let the industry and the community down. He has let the nation down. The reports were each a considered and genuine contribution to the debate about the future of two key modes, road and rail. Combined, they provide our range of options and also some common themes and calls for reform. In response, the minister and Deputy Prime Minister did not apply himself or engage in the debate. All the research, goodwill and commitment was there to develop a transport vision for the years ahead. But it was rhetoric not backed up by action by the minister.

This pathetic effort is testimony to a view that I have formed over the past few months, as have a lot of people in the transport industry and transport peak bodies that I meet as I move around the country: the Minister for Transport is not interested and cannot handle the transport portfolio. I will be generous to him by suggesting that the reason for that may be that he is too preoccupied with other matters, including his future as leader of the National Party, a trouble divided party. Moreover, as Deputy Prime Minister he is a trouble divided person in a trouble divided government.

Whatever the reason, though, I also argue today that the portfolio is too important for this situation to continue. Too many lives—and transport is about issues of safety—hopes and opportunities rely on this key portfolio, as does our scope to further develop Australia economically. The minister’s response to these key road and rail reports suggests that he has clearly established yet again that he is not interested in the portfolio. For the sake of
Australia’s future, he should ask to be moved to a portfolio that he is interested in, give transport to someone on the other side who has actually got a genuine interest in trying to do something to improve Australia’s road and rail infrastructure and, in doing so, at least give Australia a chance to develop a national vision on the transport front. We have a lacklustre report prepared by a lacklustre minister who is clearly now identified in the transport industry around Australia as someone who has got no genuine interest in our transport infrastructure.

With respect to my other responsibility as shadow minister, there is a crying need all around Australia for this government to act on the infrastructure front. I also accept that there is a capacity for a partnership between the private and the public sector to produce some of those infrastructure developments. But in order to put them in place, we require leadership and vision. This government lacks leadership and vision. (Time expired)

Mr LINDSAY (Herbert) (11.52 a.m.)—Before I begin, I note that Ms Meg Crooks is with us today. She was the committee secretary when the Planning not patching report was prepared. I was privileged to be a member of that committee—the Standing Committee on Communications, Transport and Microeconomic Reform. It is a report that I would like to speak to specifically today. Certainly, I recognise the good work that Meg did on the many issues that were dealt with during her time as the secretary of the committee.

I want to address my comments this morning to the government response to the Planning not patching report. I want to refer to specific local issues and draw the analogy as to how the government’s recommendations fit in with what actually is happening on the ground. The first recommendation was that the Commonwealth’s role in road funding should focus on achieving national objectives. When I read the response from the government, I am not happy. I probably know the reason for it, and I put this on the record today. I am very concerned that, when it comes to road funding, the cabinet does not understand that funding of our national road system should be given sufficient priority and that it be given the feeling in the community that it deserves.

Mr Martin Ferguson—Get on the dog and bone!

Mr LINDSAY—Martin, I can’t think. Just be quiet for a second.

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—I remind the honourable member for Batman that he has had his opportunity. The member for Herbert has the floor. I give the floor to the member for Herbert.

Mr LINDSAY—Thank you, Madam Deputy Speaker. What is happening is that our cabinet is comprised basically of citycentric people. They do not see issues that are related to rural—

Mr Sawford—Did you say Sydney-centric?

Mr LINDSAY—Citycentric.

Mr Martin Ferguson—Kirribilli-centric.

Madam DEPUTY SPEAKER—I have already reminded the honourable member for Batman, who has had the floor, uninterrupted, that the member for Herbert has the floor.

Mr LINDSAY—What we are seeing is that the priority that needs to be put on road funding is not being given because the cabinet is basically citycentric. Road funding is an enormous issue out in the regions. It is an enormous issue in regional and rural Australia because of the vast distances that we have. Currently, the amount that is being allocated to road funding is plainly insufficient. It is insufficient because the priority is not being given. The response in relation to achieving national objectives is unsatisfactory. I say that as a regional member on the end of a 1,400-kilometre piece of national highway connecting Townsville to our capital city.
In relation to recommendation 5 which relates to greater certainty, that certainly is a very significant issue when you talk to our road builders, our planners, and so on. The government’s response is:

... money for roads is provided through the normal Budget processes.

Yes, it is, but the certainty is not there that is needed to allow the industry, and governments at other levels, to plan where we might be going on the planning horizon that would normally be adopted.

In relation to recommendation 6, ‘Adequacy and extent of the national highway system,’ the committee’s report talks about objectives for the national highway system, and the government response is that a review is under way. I am not happy with that either because what I see, time after time after time, is that not enough money is being provided for even the maintenance of the national highway. We all know that. What is happening is that as the highway continues to crumble we are not maintaining it properly. We certainly need significant extra funding, just for maintenance alone, to be able to continue having a proper lifeline for the community.

In relation to recommendation 12, ‘Adequacy and extent of the national highway system,’ the committee recommends that projects funded under the roads of national importance category should be prioritised on the basis of substantial net economic benefits using benefit cost ratios. I would like to relate this particular recommendation to a project in Townsville in my electorate of Herbert. We desperately need a new national highway bypass for the city because the Nathan Street-Ross River Road intersection is currently approaching overload. We have a proposal as part of the national highway bypass to build a new cross-river bridge from the university across to the suburb of Condon.

This particular $40 million deal is very interesting in that, while it is a national highway, I believe we can secure a fifty-fifty deal with the state. Normally the national highway would not be funded on that basis by the state government, but I believe that, because of certain local circumstances, we can achieve agreement with the state government to do a fifty-fifty deal, which is a terrific deal for the Commonwealth of Australia.

This particular section of the highway will serve the university and the new level 6 hospital in that particular suburb, but I would like to acquaint the Main Committee of the cost-benefit ratio of this particular project. Normally, projects with cost-benefit ratios of 1 or above are almost certain to get funded. This particular project has a cost-benefit ratio of 13. Here we have a project where we can secure fifty-fifty funding with the state government and it has a cost-benefit ratio of 13 yet it is still extraordinarily difficult to achieve the money. I might say that it is far more important than the Geelong Road. In relation to the particular project, I think the recommendations and the government responses are weak, and certainly I will be taking that matter up with the minister directly.

In relation to recommendation 30, private sector involvement, the committee recommended that the Commonwealth should have an interest in the additional net benefits to the community and the distribution of benefits and costs across the community. The government’s response was to agree. Too right, the government should agree. This is in relation to another local project in my electorate, the proposed port access road. Currently, all access to the port of Townsville, which is the third largest port in Queensland, is through the residential suburbs of Railway Estate and South Townsville. It is just horrendous to take all of that port traffic through those suburbs. The new port access road will open up access to the port from the developing industrial land in Stuart. The cost of that project is about $25 million.

Again, the government has an opportunity here to have private sector involvement. Private sector involvement would see that road constructed as a road of national importance, so it
would also attract a contribution from the state government. There is an opportunity for the Commonwealth to construct a road of national importance which attracts a funding split-up of $10 million from the Commonwealth, $10 million from the state government and $5 million from a private developer. That is an amazingly good deal for the Commonwealth of Australia, but currently it is still a very difficult project to get up.

In terms of the amount of funding that is available, I think the recommendations need to be stronger. We need more money for the road system. We need more money for roads of national importance. We need more money for the national highway. We need more money for maintenance.

Mr Martin Ferguson—So you are not voting for Costello then. You’re in the Reith camp.

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—The member for Batman will please observe that the call to the member for Herbert has been given.

Mr LINDSAY—I neither confirm nor deny that. I am certainly strongly supporting that the government recognise the priorities that we need for road funding in this country, particularly the priorities that we need for road funding in the seat of Herbert, in the cities of Townsville and Thuringowa.

Mr HOLLIS (Throsby) (12.02 p.m.)—I am pleased that we are at last discussing the response of the federal government to the reports entitled Planning not patching and Tracking Australia. The report entitled Planning not patching was by the Standing Committee on Communications, Transport and Microeconomic Reform. Of more interest are the reports entitled Tracking Australia, from the Standing Committee on Communications, Transport and the Arts—interestingly, arts has now replaced microeconomic reform—the report of the Rail Projects Taskforce entitled Revitalising rail and the report of the Productivity Commission entitled Progress in rail reform.

Some might say that, overall, the reports have been a wake-up call for the government. The government has delayed making a response to these reports, and, when the response did arrive, it signalled still more delay. These reports in many ways give a blueprint for the future of rail in Australia. It is interesting to see how similar the recommendations are in each of these three reports. Those involved in compiling these reports realise the importance of the steel road as well as the asphalt road in Australia. For too long, though, the steel road has suffered at the expense of asphalt. For too long in this country, there has been unnecessary competition for support between the two sectors. Both have strengths which must be developed. It is not an either/or situation. We have never had a national rail strategy in Australia. This stems from the stupidity of our forefathers because of narrow colonial prejudices in introducing a separate gauge system, making us an expensive joke around the world.

Tracking Australia recommended that the Commonwealth, in consultation with the states and territories, enhance the role of rail in the national transport network by declaring a national track for interstate rail services on the standard gauge network from Brisbane to Perth. For many of us, this is the crux—to have in rail the equivalent of the national highway. Of course, it would cost, but we believe that it would guarantee rail a future, and, if this does not happen, there is a real possibility that rail will have no future.

We hear much in this parliament about the wisdom of our forefathers, but they never showed much wisdom when it came to planning for rail, and successive governments have done not much better. Is it that governments do not care or is the road lobby just too powerful? What this country is crying out for is a government, and especially a minister, with courage and foresight to accept that this country needs a national transport policy—and I do not care on what side of the House it is; I am across-the-board—that embraces all modes of transport, road, rail, sea and air, to give us an integrated program that will be for the benefit of
all Australia instead of this piecemeal state-centric nonsense that passes for transport policy in this country.

The 16 recommendations in the *Tracking Australia* report and 29 of the 30 Smorgon report recommendations—that is, all except privatisation of rail transport—have received wide community support. It is therefore disappointing that the government response has been both delayed and very limited. What I said earlier about a national integrated transport policy is fairly longstanding. It was mentioned in government reports in 1994 and 1997 and yet the government does not regard this as urgent and a national integrated transport policy is to be developed with the states. Although it will be helped by the new national transport secretariat, the policy development will be made more difficult, I believe—

* A division having been called in the House of Representatives—

**Sitting suspended from 12.07 p.m. to 12.19 p.m.**

Mr HOLLIS—As I was saying before the suspension, the policy development will be made more difficult by the new tax system, which means there will be cheaper diesel and cheaper cars. There was no extra money in the May 2000 budget to address chronic deficiencies in substandard national track, as mentioned in the Smorgon report. *Tracking Australia* also mentioned substandard track, and members of the committee actually inspected this substandard track. What we did get was yet another detailed study of national track upgrading requirements to be undertaken. We do not want more studies; we want work and we want work on the track while we still have a track to work on. The Commonwealth says it wants ‘harmonisation of rail safety and operational standards’. It proposes that a national rail transport commission be formed, with adequate progress being made by the states by mid-2001. There is no apparent reason why a national rail transport commission could not be established in 2000 as a positive move to assist the industry rather than be deferred to 2001 as a threat.

The government’s response to recommendations in *Tracking Australia* for education and training within the rail industry cites Commonwealth support for national qualifications for rail employees, but considers this is largely an issue for industry to address. Mention is made of an Australian national training authority to facilitate development of national industry based training arrangements, but this is then said to be contingent on nationally consistent training courses. There seems to be no concern about future rail engineering skill shortages.

It is not only the rail industry where we have skill shortages but many aspects of transport. Australia is facing a skill shortage, not only in rail but in other modes of transport—perhaps most worryingly in the air industry. In what can only be described as an extremely short-sighted move, Qantas abandoned its apprenticeship scheme a number of years ago. The average maintenance worker there is now approaching their 50s but there are no young groups coming on to replace an ageing skilled workforce. Having an apprenticeship scheme, with these people coming on to fill positions within the industry, builds up a tremendous commitment to the industry and also, from an industry point of view, is a strong statement of commitment to the industry. The air industry has been extremely short-sighted: its contracting-out policy is wrong and it is paying a price for it now. But it is also important that in the rail industry we have nationally qualified rail employees, nationally consistent training courses and a commitment from the employees to the industry.

The matter of expanding the Australian National Track Corporation, and agreement by New South Wales and Western Australia to ARTC management of a national interstate network, has dragged on since the 1997 intergovernmental agreement. However, there is little financial incentive for New South Wales or Western Australia to comply. There is now a question as to what will happen to the ARTC in 2003.
On access pricing and road-rail neutrality, in regard to a Productivity Commission recommendation for a revised NRTC schedule of heavy vehicle charges which ensures that each class of vehicle pays the full cost of its road use, the 13 April response that an NRTC review of charges due for implementation on 1 July has taken place does not alter the fact that the heavy long-distance trucks still do not pay their full road cost. I am not opposed to the trucking industry—in fact, I am a great supporter of that industry—but there must be a more level playing field in the transport sphere. An inquiry into roads was recommended by the PC in draft and final reports as a way of advancing road-rail competitive neutrality. The government appears to have bowed to road transport industry pressure not to have such an inquiry. Although such an inquiry was widely supported on grounds relating to roads only, the government stated that an inquiry should not proceed.

Other items raised in recommendations and/or the findings of the reports and/or submissions to the inquiry but not adequately dealt with in the government’s response include data deficiencies, as per the Productivity Commission final report, which said that there is a lack of up-to-date transport data in Australia, impeding public debate and sound policy formation. Who knows what the recent rail freight and road freight tasks in Australia are? We need more adequate transport data.

Greenhouse gas emissions were noted in recommendations of the Tracking Australia and the Smorgon reports. The contribution that a more efficient rail network could make to reducing greenhouse gas emissions was given very little consideration in the government’s response.

A national land transport commission has been delayed to at least 2004. This was rejected in 1998-99, despite the support of Tracking Australia and the ATC. A national infrastructure advisory council and increased rail research were ignored in the government’s response.

In the four Howard-Costello budgets up to the last budget, no less than $6.5 billion has been allocated to national, state and local roads. This is about 100 times the amount that has been allocated to rail works and urban public transport by the Howard government to date. It is hard to see why, when the United States allocates nearly 20 per cent of its federal land transport funds to rail and mass transit, Australia allocates only one per cent of such funds to this important area. Australia deserves better in the federal budget.

Although I am disappointed that it took 20 months for the minister to respond, I would like to pay tribute to those members of the committee who worked on the two inquiries that we were involved in—Planning not patching and Tracking Australia. I pay particular tribute to the chair of the committee, Mr Paul Neville. I only wish that the minister had shown the enthusiasm and the vision that the member for Hinkler has shown when it comes to rail. It is important for us all. I heard what the member for Herbert said when he talked about the regional point of view. But when we come to transport, let us not get into this argument about what is regional and what is urban. Transport in Australia affects us all. A good rail system is as important for those in the bush, for those in regional areas, as it is for those in urban areas.

There are big problems with rail. There is a problem in Sydney. We have to be able to go around Sydney. Governments of all political persuasions have not taken the challenges faced by the rail industry seriously enough. I do not excuse my own party from that point of view. I do not know whether it is because the road lobby is so strong. As members of parliament, we get letters all the time about every pothole that appears, whether it is in a local road or on the interstate highway. We very rarely get letters about rail. Maybe we, as members of parliament, do not put enough emphasis on rail. Perhaps we think that we are going to win votes by putting more and more pressure on governments to put more and more funding into road.
It is becoming a self-defeating proposal, though. It always worries me when I see an either/or situation. You either put more money into road at the expense of rail or you put more money into rail at the expense of road. Both are vital to Australia. In a country the size of Australia, where we are so dependent on transport, we must have an adequate transport network. Whether the current government takes up the challenge or whether, after the next election when we become the government, we take up the challenge, we have got to have a national transport strategy in Australia. That has got to cover everything. It has got to cover the roads—and trucks are important—the rail, the air and the sea transport. We have to get away from this constant competitiveness between the various modes of transport.

I was more involved in the Tracking Australia inquiry. I was not on the committee when they were undertaking the Planning not patching inquiry. On that inquiry, and in inquiries that we have done since, I believe that members of the committee on both sides of the political divide have accepted the need for an adequate transport system in Australia. It is a challenge that the government has got to take up. We cannot leave it as it is because the states will play off each other. The federal government must come in as an overarching body and knock a few heads together. Someone sooner or later has got to give us a decent transport system in Australia, and integral to that is rail. Unless we put money into rail now, we will not have a rail system to put money into. That is the challenge. You would know, Mr Deputy Speaker Nehl, having regard to where you come from, how important the line is in your area. I refer not only to the highway but to rail: the North Coast rail line is as important to the future of Australia, in many aspects, as the Pacific Highway is.

Mr WAKELIN (Grey) (12.29 p.m.)—It is with pleasure that I rise for about 30 seconds to speak in the debate on the response from the federal government to these two reports about road and rail. I make the observation that the Australian Rail Track Corporation has seen the speed restrictions substantially reduced on the South Australian-Victorian line, from four per cent to one per cent, which is the agreed target. I also make the point that in my home state of South Australia, I am very impressed with the state government’s approach in terms of its expenditure on the roads that it is responsible for. I have seen significant improvement in our roads, which I am pleased to report to the Main Committee. Highway 1, which is, of course, the national highway, has continued to be significantly improved and widened.

ADJOURNMENT

Mr DEPUTY SPEAKER (Mr Nehl)—Order! It being 12.30 p.m., I propose the question: That the Main Committee do now adjourn.

Mobile Phone Tower: Castlemaine

Mr GIBBONS (Bendigo) (12.30 p.m.)—I rise to express my concern about the rapid proliferation of mobile phone towers and the failure of the government to provide for the communities affected to be consulted over moves by carriers to set these towers up. My concerns have been aroused by the manoeuvres of Optus to set up a mobile phone tower in Castlemaine, which is in my electorate. The proposal by Optus is to use the existing Powercor tower at View Street in Castlemaine for its mobile phone tower. I note from a report in the Castlemaine Mail that Optus has indicated that it is looking for other sites, but it has nevertheless not ruled out the use of the View Street site which is causing much community concern. The concern relates to the location, arising from the fact that the site is close to several houses.

A number of people in Castlemaine have expressed their opposition to the Optus move to set up this tower. Recently, a group called the Castlemaine Optus Antennae Relocation Group
has been formed to oppose the Optus move. Over 100 local people from the immediate vicinity of the target area signed a letter to the Mount Alexander Shire Council and to Optus asking for an alternative site to be chosen. The concerns that the local community have expressed relate firstly to worries over the effect of electromagnetic radiation that emanates from antennae located on mobile phone towers. There is also the concern people have over the resale value of their properties. And, of course, for a lot of local people there is the antidemocratic aspect of the way these big telecommunications carriers are allowed by the federal government to put their bottom line ahead of the long-term good of the community.

As honourable members are only too well aware, most telecommunications carriers have virtually a blank cheque from this government to roll out their infrastructure with no community consultation whatsoever. The councils are not consulted, the people affected are not consulted. The Howard government in 1997 specifically amended the Telecommunications Act 1991 to exempt private carriers from the environment and planning laws of state, territory and local governments. Under this legislation, what is classed as a low impact facility, such as an extension or modification to an existing tower, is exempt from state, territory and local government environment and planning legislation. Because of the concerns by the local community, the Mount Alexander shire discussed the Optus plan at its recent meeting. The shire voted to support the local community in opposing Optus’s plan. The council decided it would write to Optus outlining the extent of public opposition, after acknowledging the overwhelming public opposition to the Optus tower site.

I believe the Castlemaine case is just one of the multitude of local communities across Australia being outraged at the federal government’s steamrolling of the communications rollout. The public has been stripped of its rightful protections under state, territory and local government environment and planning legislation. The situation will be even more dreadful if the government can pull off the final privatisation of Telstra. This would turn Telstra into a fully private corporation and, as such, it would be exempt, like other private carriers, from state, territory and local government laws. The mind boggles at the thought of Australia’s second largest company being put beyond the control of the existing environmental and planning safeguards.

Carnarvon Region

Mr HAASE (Kalgoorlie) (12.33 p.m.)—I rise today to address two situations, one of disastrous consequences and the other of celebration. Back in early March this year when Cyclone Steve hit the area of Carnarvon in Western Australia at the mouth of the Gascoyne River, horticultural producers there were absolutely devastated. Not only did the extremely high winds of Cyclone Steve destroy horticulture generally and specifically the banana crops, but the resultant flood, as the Gascoyne came down some metre over the level of the Gascoyne River bridge, absolutely devastated all horticultural crops in the area. If it had not been for the very hard work of emergency services personnel through the night, the township of Carnarvon would have been inundated as well.

On 24 March I was there and saw first-hand the evidence of the devastation. It was a debilitating sight, I can tell you. People had lost all their efforts to provide their income for the future, with hundreds of thousands of tonnes of topsoil washed away from that fertile area and out to sea, access to houses destroyed by the fast flowing water, houses still flooded and commercial businesses well and truly flooded. The situation was nightmarish.

I am happy to say that I returned on 26 May this year and was able to witness the incredible transformation that has taken place there. The transformation has been possible only with the extremely hard work and dedication of community crews and the river people themselves in working with local government. They have carted literally hundreds of thousands of
truckloads of topsoil back onto those plantations, reinstated access roads, salvaged equipment, refilled foundations for homes, et cetera.

Merv Smith, the manager of the Carnarvon growers association, spoke glowingly of the efforts of the some 160 growers that represent that association there on the river in Carnarvon. But he also spoke of the future and the necessity for funding to be spent on flood mitigation, funding that will perhaps see the Gascoyne River have its course changed so as to take those destructive flood waters well away from and south of Carnarvon, behind Browns Range. It is an idea that I personally support, and I will be fighting to obtain funding for this flood mitigation to protect Carnarvon and the growers in Carnarvon in the future.

Whilst I was there on 24 May, I was very pleased to open the Gascoyne business expo. This was an incredible show of strength and recuperation, if you like. The expo drew exhibitors from Perth, Geraldton, Dalwallinu, Monkey Mia, Denham, Carnarvon, Upper Gascoyne and Exmouth. They got together under the leaderships of Jude Tupman and put on a marvellous show.

It is the sixth year they have run the Carnarvon expo, and it was bigger and better this year. It was bigger and better due in no small part to the fact that, through the efforts of the Mid-West Gascoyne Area Consultative Committee, they obtained some $31,000 of funding through Tony Abbott, our Minister for Employment Services, under the Rural Assistance Program. The shire of Carnarvon, under the leadership of Del Mills, also contributed $11,000 to the effort that took place on that night.

There were other contributors, large and small, all contributing to their appropriate means. It was great to see the community bounce back, and I seriously believe that if we can obtain some of this federal funding for flood mitigation, we will perhaps bring to an end forever the threat of disastrous floods that absolutely debilitate horticulture so damagingly in the area at the mouth of the Gascoyne River.

Styx Valley, Tasmania

Mr QUICK (Franklin) (12.37 p.m.)—I recently had the good fortune to visit the old-growth forests of the Styx Valley. This secluded valley in Tasmania’s south was, until recently, relatively unknown. It has been very much a secret valley but is quickly earning a place on the itineraries of Tasmanians and business alike.

The Styx Valley is a mere two hours drive west of Hobart, past Mount Field National Park and the township of Maydena. The Styx is on the edge of the Tasmanian wilderness world heritage area. Entering the valley from the west, we came across an old wooden bridge where the South Styx River joins the Styx River itself. Both rise in the mountains of the world heritage area to the west and flow through the thickly forested Styx Valley before joining the Derwent River near the hop fields of Glenora and Bushy Park.

Up here, at the upper reaches of the valley, the river has a remote and mysterious feel. Its swirling waters are stained a tea colour from the button grass plains in the world heritage area. We came upon a small, drab and moss covered sign with the words, ‘tallest hardwood’. You may be inclined to ask, as I was, ‘The tallest hardwood where—in the valley; in Tasmania, perhaps; or even in Australia?’ In fact this tree, as discovered, is the tallest known hardwood tree in the world.

Walking up the short path to the tree, it is difficult to fathom its sheer immensity and massive bulk. A rusty sign matter-of-factly announces that the tree originally measured 95 metres. I found myself simply struck with the realisation that I was in the presence of one of the largest living organisms on this planet. My guide informed me that the tree now measures
90 metres, thanks presumably to a particularly violent storm and the fact that the forest surrounding this postage stamp sized reserve was cleared in the 1960s. Ninety metres is significantly taller than any building in Tasmania. It is about as tall as a 25-storey building.

Far from this tree being a freak example, the rest of the valley is blanketed with trees of between 80 and 90 metres. They stand like sentinels on the ridgelines and hillsides and on the valley floor, punctuating the rainforest underneath. These giants are prosaically named the swamp gum or the mountain ash. The proper name is *Eucalyptis regnans*, which translates literally as 'king of the gum trees'.

Further down the range, one can get a good view of the Maydena Range to the north. It is covered with an untouched expanse of dense, old-growth forest. The canopy is interrupted now and again with exceptionally tall trees and is highlighted with the pearly white tips of the grand old trees that stand out like ocean whitecaps on a windy day. And old, indeed, they are. They reach over 400 years old.

This hidden valley is another example of the magnificent natural assets for which Tasmania is deservedly known and is one of which we should be proud. The Styx is significant on a national, indeed global, scale. Here is a magnificent asset upon which we should really be capitalising. The magnificent kings of the Styx forest are second in height only to the great redwoods in California. The redwoods are at the centre of a thriving tourism industry that generates substantial income and jobs for the local community. But how many people have heard of *E. regnans*? All too few, I suspect. Why wouldn’t the giants of the Styx Valley—the tallest trees in the Southern Hemisphere and the tallest flowering plants on earth—have similar appeal? Given its impressive global status, I really think that the potential is there for the Styx to become a significant tourism attraction for the state.

Of course, tourism is not a panacea for economic hard times, of which Tasmania has seen its fair share. It does offer real jobs and investment, particularly to the rural communities. Everyone here knows the importance of supporting and strengthening small business in rural communities. They are increasingly the backbone of rural communities, and the benefits of tourism tend to spread broadly among the community. Certainly, the tourism operators in the area that I spoke with are enthusiastic about the potential of the Styx. They know perfectly well that another attraction means another busload of tourists wanting petrol, souvenirs, film, food and perhaps a bed for the night. Perhaps with the right marketing and development, the Styx could add to Tasmania’s reputation as a nature based tourism destination par excellence.

What is the future of this remarkable forest? Who can say? Australia has already lost the world’s tallest tree, a *Eucalyptis regnans* that grew in Gippsland. Perhaps with the Styx, we have an opportunity to benefit from these remarkable trees without destroying them for posterity. It is heartening to hear that the local council and tourism authority are supporting attempts to promote the Styx and see it put fairly and squarely on the tourism map.

I would recommend to any members of the House who find themselves in Tasmania with a day or two to spare to visit the Styx Valley with the Wilderness Society. It really is an undiscovered jewel in the crown of Tasmania’s wild forests. Who would have imagined the Strahan success story? After all, who would have predicted that the old Abt railway on Tasmania’s west coast would be redeveloped? Perhaps our tallest trees are another success story waiting to be discovered.
Mr BAIRD (Cook) (12.42 p.m.)—It is my pleasure today to mention my visit two weeks ago to Korea. I went to Korea at the invitation of the Korean Ambassador and was sponsored by parliamentarians in Seoul. It was to coincide with the holding of their annual prayer breakfast, which is sponsored by the Korean parliament, and also to coincide with the 20th anniversary of the uprising in Kwangju. It was an extraordinary meeting. It was the first gathering of the World Parliamentary Christian Association. The head of that organisation is a Korean, and I was one of the five invited to be co-convenors. The others are from the United States, Canada and other South-East Asian countries. It was a great opportunity.

We were overwhelmed by the friendship of the Koreans, the hospitality we were shown in Korea and the size of the groups that came to greet us. While I have seen some big crowds in my time, a greeting from 25,000 people in one particular church was more than I have seen in my lifetime. Certainly, the choirs and orchestras in the churches were better than I have seen anywhere in the world, including in the United States and the United Kingdom. So the great enthusiasm and energy that we saw there were very positive. It was at a time when they were discussing very openly and frankly the questions of reunification with North Korea. North Korea, which has been going through significantly hard times because of its own economic downturn, separated following the Korean War. But there is still great hope in the community there, led by President Kim Dae-Jung. He is very keen to foster reunification. He is about to go to North Korea to have formal meetings on that issue.

He was also formally sponsoring the World Parliamentary Christian Association meetings and he invited us to the Blue House, which is the presidential palace, for discussions on the objectives. He shared with us his visions for Korea in the future in bringing the benefits of economic growth to the poorer sections of the community, as well, and also in terms of questions of reunification.

It was particularly interesting, going on the 20th anniversary of the uprising at Kwangju, to see the role that the president had in that uprising. He was one of the leaders of the discontent that existed at the time there was a military dictatorship in power that abused privileges. They certainly did not have a strong democratic process in terms of the way they met the needs of the community. At first it was a student uprising in Kwangju but it gathered wider support from shopkeepers and the broader community. The now President Kim Dae-Jung was put into prison the day before the attacks came from the national guard. There were some 350 killed, mainly students, along with other members of the community, and there were 5,500 people injured on that day, also. Helicopters attacked in Kwangju and the university province area. It was an overwhelming time of grief for those who lived in the area. This was the 20th anniversary of that particular occasion, and it had been led by the president.

The president was placed in jail for many months. He was tortured. He was taken out to sea where they threatened to put him over the side with concrete attachments, obviously to kill him, and he was saved only by some American helicopters that intervened and threatened to fire on the boat unless Kim Dae-Jung was taken back to land. He is a man of Mandela proportions. He is a man who is taking a strong interest in the economic welfare of his country and is also very keenly committed to reunification.

He is also taking a strong interest in the spiritual dimensions of his country. When you see the vibrancy of the Christian churches there and the other spiritual dimensions and religious traditions of that country, you know that in that president they have a very fine leader. It was my great privilege and honour to be part of those celebrations and to be invited to join the particular body which is being sponsored by the Korean government.
Mr SNOWDON (Northern Territory) (12.47 p.m.)—I want to raise again here today the issue of one of the most bizarre features of the new tax system that is being proposed, and that is the application of the GST and its implications for indigenous artists in remote communities. You will recall that I have raised this issue in this place and outlined the needs of these artists, most of whom are illiterate, have English as a second or third language and earn only a small amount of money on average from their Aboriginal art enterprises. They have been told by the tax office that if they did not get an ABN number by 1 July they would be taxed at the rate of 48.5 per cent for any sales of their art products.

On 25 May 2000, the tax office brought out a ruling—or at least I assume it is a ruling; it was in the form of a press release—in which it said:

Indigenous artists living in remote Australia with income of less than $10,000 per annum—which I had called for previously—from artist activities will not be required to have an Australian Business Number (ABN) under a transitional arrangement announced today by Tax Commissioner, Michael Carmody.

On the surface it is not a bad outcome. However it went on to say:

The effect of the new transitional rule for artists with less than $10,000 from artist activities means a variation of the rate of withholding to zero per cent, but only in the first year of the new system.

The arrangement applies to those indigenous artists who qualify for a Special Zone A rebate outlined in rulings TR 94/27 and TR 94/28, which is available—on the web site—

The Tax Office has undertaken a substantial information and education campaign for indigenous Australians, however, this announcement today recognises the particular issues faced by indigenous Australians in remote areas in being part of the new tax system.

That is far from adequate. Let me just explain. This will apply for one year only, and it only applies to people living in Special Zone A, in other words, outside 250 kilometres from a town of more than 2,200 people. So a substantial area, and part of the Northern Territory where there are Aboriginal artists, will be discriminated against because of where they live, because if they are not in Special Zone A they will face the full force of the new tax system. Because of this they will be required to have an ABN number by 1 July.

The tax office say in their press release that they have ‘undertaken a substantial information and education campaign’. Nothing could be further from the truth. They have done absolutely nought, zero, in terms of informing these artists, in a way which they can properly comprehend and understand, about these requirements. I have here a press release from Aboriginal artists, from the Warmun Art Centre at Turkey Creek, via Kununurra in the Kimberley. They suffer the same situation as constituents in my electorate. In this press release it says:

It seems there have been no education programs in Aboriginal communities conducted in indigenous languages—

Ms Gambaro—That is not true.

Mr SNOWDON—It is true. It then continues:

… and the English programs that have taken place have been incomprehensible and conflicting for most people in remote communities.
All true. We know that $1 million was given for the purpose of educating people in this area by the tax office to a number of organisations. None of these organisations have done anything to inform the people I am talking about in my communities. None of these organisations—

Ms Gambaro—Well, someone is not doing their job.

Mr Snowdon—It was given to ATSIC. Why would ATSIC be responsible for doing the ATO’s job? The honourable member opposite intervenes. Is she aware of one instance where a Pitjantjatjara language speaker has been approached by the tax office in Pitjantjatjara or with an English translator to talk about these issues? The answer is no. Has there been a speaker talk to a Wirlpiri person in the same way? Has there been a speaker talk to a Gumatj person in the same way? Has there been a speaker talk to a Walmajarri person in the same way? The answer is no.

The fact is that this proposal is discriminatory, confusing, and will not work. What they are doing here is handicapping the most disadvantaged of all Australians, as I have said in this place previously. They have done nothing to understand or comprehend the conditions under which these people live, or their income levels, and they have done nothing to educate them in a manner in which they can properly understand or comprehend.

**Goods and Services Tax: Indigenous Artists**

Petrie Electorate: Unemployment

Ms Gambaro (Petrie) (12.53 p.m.)—Before I start my adjournment speech I would like to correct a few of the misconceptions of the member for the Northern Territory. Firstly, I do not know about you but I did receive notification from ATSIC saying that there would be $1 million provided for education campaigns on the new tax system for Aboriginal and Torres Strait Islander communities. It is their duty to inform their people of these particular programs. The member for the Northern Territory is absolutely incorrect in his assertions. I would like to correct that. For the parliamentary record, ATSIC was given funding, and what he stated earlier was absolutely incorrect.

Secondly, any business that is earning under $50,000 can elect to be in the new tax system. So when you speak about Aboriginal artists earning $10,000, they can elect not to be in the tax system. Again, the member for the Northern Territory is incorrect and should really look through the guidelines and familiarise himself with the new tax system.

Apart from that, I want to speak about some much happier news: the unemployment rate in Redcliffe has dropped. I was very happy to read in one of the local newspapers, the Redcliffe and Bayside Herald:

Drop in Jobless—Unemployment in Redcliffe has plummeted to its lowest level in a decade.

The article mentioned that some areas of Petrie that were previously depressed and had high rates of unemployment have recorded reductions in unemployment of over four per cent. Commonwealth Employment, Workplace Relations and Small Business figures show that unemployment in Redcliffe has dropped from 14.8 per cent in December 1998 to 9.5 per cent last December. In Clontarf they fell from 13.8 per cent to 10 per cent; in the Margate region and Woody Point, from 14.5 per cent to 11.1 per cent; and in the Rothwell area, from 9.8 per cent to 7.8 per cent.

This is an absolutely remarkable achievement and has been a result of a number of local programs and also national economic initiatives. On a local level, I extend my congratulations to the Redcliffe City Council, which has worked really hard to attract investment and tourism to the area. This has helped create jobs for local people, particularly in the area of hospitality, and the results have been reflected in the figures I have just quoted. Council figures show that
the level of private investment in the area has reached $53 million in the first 10 months of the financial year, as compared with $38 million in the previous 12 months.

I have spoken on many occasions about the Job Network providers in my electorate. They are doing some fantastic work and are to be commended. I am sure that they will continue to develop the government’s employment policies and make sure that we can get that national unemployment rate of 6.9 per cent down to the 6.25 per cent target for July next year.

While the Job Network is doing some excellent work, Work for the Dole programs also need to be acknowledged for the wonderful work that they provide for young people. Recently I had an opportunity to meet some of the young people who were involved in a local Work for the Dole project. The transformation between when I first met them and the end of the program was just remarkable—their body language and their self-confidence clearly showed that. I look forward to further Work for the Dole projects and support the work being done by the Minister for Employment Services, Tony Abbott.

It is important to acknowledge that one of the great challenges that face the Redcliffe Peninsula is traffic congestion. The $35 million provided in the budget by the federal government will improve the Bruce Highway locally and assist with much of the problem. But it is also important that, while we are providing federal funding, the state government addresses the Houghton Highway bridge and provides funding to improve access to the peninsula. An improved bridge, in conjunction with new rail facilities, will allow further investment in and access to one of Moreton Bay’s greatest areas.

I would like also to express congratulations for the work of a TAFE college in the region. In particular, it is wonderful that Craig Sherrin, director of the North Point Institute of TAFE, in Carseldine, at my end of the electorate, has now facilitated a program and is working in conjunction with universities to make sure that students can further enhance their opportunity to progress in education. There is still a lot of work to be done to improve employment levels, but is wonderful to see such incredible results and how the Redcliffe Peninsula has benefited from the great work done locally and federally.

Goods and Services Tax: Charities

Ms GERICK (Canning) (12.58 p.m.)—I have risen before to discuss a number of charities which have approached me in my electorate of Canning to discuss the great concern they have about the impact that the GST is going to have on the services that they provide. In the last two non-sitting weeks, again I had a number of people who do great work for charity approach me. Today I want to praise the work of one woman and express her grave concern—in fact, she is considering stopping her business—because she thinks it will just not be worthwhile after the impact of the GST.

About two years ago this woman had a member of her family suffer from cancer. As a result, she set up a business whereby she sells second-hand goods and 100 per cent of the profits are donated to Canteen and a respite centre in my area. In the last 18 months she has raised nearly $65,000, which has been invested in the groups in Canning. She tells me that with, the impact of the GST, it is not going to be worth her continuing so she is reflecting on what to do. We are possibly going to lose that money from our electorate. I take this opportunity to call on the government to look at the way the GST is going to impact on charities and review its decision.
Goods and Services Tax: Indigenous Artists

Mr NEVILLE (Hinkler) (12.59 p.m.)—In the few minutes remaining I wish to correct two misimpressions. The first relates to what has been said by the member for the Northern Territory. The Aboriginal artist may be required to have an ABN, but is not required to pay GST unless his or her income exceeds $50,000. So the person in question should not be put at risk. And, as my colleague the previous coalition speaker, the member for— (Time expired)

Main Committee adjourned at 1.00 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Regional Australia Summit: Institutions
(Question No. 1234)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 9 March 2000:

(1) Further to the answer to question No 1033 (Hansard, 8 March 2000, page P14011) concerning the 1999 Regional Australia Summit, (a) to whom were payments made as facilitators and (b) what sum (i) in total and (ii) including travel allowances and travel costs, was paid to each facilitator, including the Summit Chair, the Rt Hon Ian Sinclair.

(2) Why were all Coalition Caucus members invited to the Regional Summit dinner while other Members of the House of Representatives and Senate were not invited.

(3) Who authorised the invitations to the dinner.

(4) Which Members of the House of Representatives and Senate attended the dinner.

(5) What sum was paid to the persons referred to in part (4) for travel allowances, airfares, cars and taxis and under which travel entitlement was the sum paid.

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

Details of payments to facilitators are as follows:

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<th>Facilitator</th>
<th>Consultancy Fee</th>
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The Rt Hon Ian Sinclair was paid $2500 in sitting fees and $2100 in travelling allowance as Chairman of the Summit Reference Group.

(2) and (3) The record of the Reference Group meeting of 12 August 1999, indicates that it agreed that the Hon Kim Beazley, MP and Senator Lees or their nominees should be invited to attend the Summit, including the dinner. Subsequently, Cheryl Kernot, MP and Senator Mackay were also invited.
to attend the High Level Group meeting and the Summit dinner. On 20 August 1999 the Reference Group determined that Coalition Members of the House of Representatives and the Senate should be invited to the Summit dinner.

Members of the House of Representatives and the Senate who accepted the invitation to the Summit dinner are:

- Senator the Hon Ron Boswell
- Senator the Hon David Brownhill
- The Hon Alan Cadman MP
- Senator Grant Chapman
- Senator Helen Coonan
- Senator Winston Crane
- Mr Martin Ferguson MP
- Mr David Hawker MP
- Senator the Hon Bill Heffernan
- The Hon John Howard MP
- The Hon Bob Katter MP
- The Hon Dr David Kemp MP
- Senator the Hon Ian Macdonald
- Senator Sue Mackay
- The Hon Peter McGauran MP
- Senator the Hon Nick Minchin
- Mr Garry Nehl MP
- The Hon Bruce Scott MP
- Mr Stuart St Clair MP
- The Hon Kathy Sullivan MP
- Senator Tsebin Tchen
- Mr Cameron Thompson MP
- Senator the Hon Judith Troeth
- The Hon Wilson Tuckey MP
- Mr Barry Wakelin MP

(5) Travel expenses for these people were not paid by the Department.

**Domestic Violence: Legislation**  
(Question No. 1456)

Ms O'Byrne asked the Minister representing the Minister for Family and Community Services, upon notice, on 13 April 2000:

1. Does the Minister administer legislation which relates to domestic violence.
2. If so, what is the definition applied by the Minister’s Department to the term “domestic violence”.
3. Is the definition sourced from a policy document or statute.
4. Is there discretionary flexibility available to be exercised by the Department when applying the definition to individual circumstances; if so, are there internal departmental manuals outlining discretionary options.

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

1. Domestic violence legislation is generally the responsibility of State and Territory Governments. However, under Section 1061J of the Social Security Act, Centrelink officers may approve a Crisis Payment to people escaping from domestic or family violence who meet specific criteria.
(2) - (3) The following definition of domestic violence was agreed on 7 November 1997 by Heads of Government for the Partnerships Against Domestic Violence initiative.

“Domestic violence is an abuse of power perpetrated mainly (but not only) by men against women both in a relationship or after separation.

Domestic violence takes a number of forms, both physical and psychological. The commonly acknowledged forms of domestic violence are physical and sexual violence, emotional and social abuse and economic deprivation.”

Centrelink applies the following definition to domestic violence:

“Domestic and family violence is behaviour that may be adopted by a person to control and/or manipulate the interactions they have with other more vulnerable family members. This hinders self determination and results in others living in fear of physical, sexual and/or psychological violence, forced social isolation or economic deprivation.

The term ‘family’ encompasses the various uses of the term which are found in the Australian community. The term ‘domestic’ identifies the setting in which violence occurs. The term ‘violence’ refers to intentional, hostile and aggressive physical and other acts rather than minor arguments or disputes.”

The definition is contained in the Centrelink document "Working to assist people experiencing violence" which is distributed to Centrelink Customer Service Centres and Call Centres, as well as to major community agencies.

(4) Under the provisions of Section 1061JH of the Social Security Act, clients of Centrelink may be eligible for an Extreme Circumstances Domestic and Family Violence Crisis Payment. Assessment of their eligibility are carried out by Centrelink social workers.

A person receiving a Crisis Payment must meet all the following criteria:

1. has left or cannot return to their home because of an extreme circumstance eg domestic violence;
2. it is unreasonable for them to remain in, or return to the home;
3. they have established or intend to establish a new home;
4. must be in Australia at the time of the extreme circumstance;
5. third party verification of domestic violence is available;
6. must claim within 7 days after the event; and
7. must be in financial hardship.

A person must also qualify for a social security benefit or pension.

Other than in the circumstances surrounding Crises Payments to people escaping domestic violence, the portfolio of the Minister for Family and Community Services does not apply the definition to individual personal circumstances.

Immigration: High Court of Australia
(Question No. 1508)

Mr McClelland asked the Minister for Immigration and Multicultural Affairs, upon notice, on 10 May 2000:

(1) Has his attention been drawn to comments by his Honour Mr Justice McHugh of the High Court of Australia in Re: The Minister for Immigration and Multicultural Affairs ex parte Durairajasingham to the effect that legislative changes in the area of immigration have resulted in an inappropriate number of cases coming before the High Court of Australia.

(2) Has he considered his Honour’s comments and will he take any action in light of the comments.

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

(1) Yes
(2) Yes.

The Migration Legislation Amendment (Judicial Review) Bill 1998 which is currently before the Senate, addresses the matters raised by Justice McHugh.

That Bill will establish exactly the same grounds of judicial review before both the Federal Court and the High Court.
This alignment of jurisdictions will remove any advantage in going to the High Court in its original jurisdiction.

Another measure proposed by the Government is contained in the Migration Legislation Amendment (No 2) Bill 2000 which was introduced into Parliament on 14 March 2000. A provision in this Bill will set a 28 day time limit on applications to the High Court. This will align the time limit in which persons may make an application to the High Court or Federal Court.
Thursday, 1 June 2000

REPRESENTATIVES
P 16947