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Tuesday, 29 August 2000

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

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.01 p.m.)—I inform the House that the Minister for Family and Community Services is on recuperative leave for two weeks. Her cabinet colleague the Minister for Education, Training and Youth Affairs will act on her behalf. Questions within her portfolio, except for those that should be directed to the Minister for Community Services, should be directed to the Minister for Education, Training and Youth Affairs.

QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Petrol Prices

Mr CREAN (2.01 p.m.)—My question is to the Deputy Prime Minister. Deputy Prime Minister, you say you have cut petrol excise by 6.7c a litre. Isn’t it also true that motorists in Coonabarabran today are paying 9.7c in GST for every litre of petrol? Doesn’t this mean a 3c tax windfall for every litre of petrol sold in Coonabarabran today?

Mr ANDERSON—I thank the honourable member for his question. Coonabarabran happens to be in my electorate, and it is a place where, interestingly enough, petrol prices are often quite high in contrast with the surrounding towns. But let me put this into some overall perspective, because there is no doubt that the opposition are very good at the selective quoting of some isolated statistics. People in the electorate are undoubtedly bearing the difficulties of higher fuel prices. But, of all the commentators on fuel, the one thing you can say with certainty is that the ALP would be the last people to have any credibility on this at all. I do not always agree with the motoring organisations’ perspective on everything, but I am indebted to the AAA’s Informed sources document, which points out that, if you compare on a raw average the June 2000 price gap across Australia with the July raw average, there was a reduction in the country-city price of 1.3c per litre. In simple terms for those opposite, the country-city price differential has narrowed quite substantially, particularly between June and July this year.

Mr Crean—I don’t believe you. When did you last buy fuel there?

Mr ANDERSON—About three days ago I bought fuel out there. Interestingly enough, I noticed in Gunnedah, which is my home town, that for the first time since I can remember the price was within striking distance of the price in Sydney on that day. In fact, the differential was the lowest I can recall. But, as the Deputy Leader of the Opposition has selectively quoted Coonabarabran today, let me simply refer to the average price in June of this year—the price differential between Coonabarabran and the raw average in urban Australia. He does not want to hear this.

Mr Crean—Mr Speaker, I rise on a point of order. It goes to relevance. It clearly is the difference in the amount of tax being paid before the GST came in and now.

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. There is no way that the response of the Deputy Prime Minister could be deemed to be other than relevant to the question asked.

Mr ANDERSON—Let me come back to Coonabarabran. I know the town well; I actually pay rates in the shire there. In June of this year, on a raw average basis, the difference between average prices in that town and urban prices paid across Australia was 9.4c—quite high. But do you know what it was in July? It was 5.8c—a considerable reduction. The fact of the matter is that, when these people opposite talk about tax on fuel, they want you to ignore the fact that they were the absolute masters of ripping tax out of fuel—a 500 per cent increase.

Mr Beazley—Mr Speaker, I rise on a point of order. It goes to relevance. The question was narrowly cast. It dealt with the question of the cut to petrol excise, which is 6.7c according to the government, and the fact that in Coonabarabran today they are paying 9.7c a litre in GST. That was it—no comparison between city and country prices or anything. The question was about a 3c tax windfall.
Mr SPEAKER—The Leader of the Opposition is now repeating the question and will resume his seat. The Leader of the Opposition is as well aware as everybody in this chamber that the reply by the Deputy Prime Minister is by any measure relevant to the question asked.

Mr ANDERSON—I think it will suffice to conclude on this note—

Opposition members interjecting—

Mr ANDERSON—Well, I could keep going. I could talk about the fact that you opposed us every inch of the way on the $2.2 billion reduction in excise on fuel in this country. The member for Batman was out there on the weekend making all sorts of claims about his contribution to the debate—and he sidelined himself on fuel.

Mr SPEAKER—The Deputy Prime Minister will come to the question.

Mr Beazley—Mr Speaker, I raise a further point of order.

Mr ANDERSON—Again! Goodness!

Mr Beazley—There is a rough requirement to relevance. In no way, shape or form has he addressed the question.

Mr SPEAKER—The Leader of the Opposition will resume his seat. The Deputy Prime Minister will come to the question.

Mr ANDERSON—Suffice it to say that, when we came to power in March 1996, for every dollar spent on fuel in this country by motorists, the excise burden under Labor was 58.6 per cent; today, under us, it is 47.2 per cent. I think the case is open and closed: when it comes to rip-off merchants on fuel, you people raised it to an art form.

Goods and Services Tax: Small Business Confidence

Mr CAMERON THOMPSON (2.08 p.m.)—My question is addressed to the Prime Minister. Would the Prime Minister inform the House of recent indications of the level of small business confidence in Australia?

Mr HOWARD—I thank the member for Blair, who is a very strong advocate of the interests of small business within his electorate. Unlike the representatives of the Australian Labor Party, he belongs to a party that is a party for small business—the Liberal Party of Australia, who, along with the National Party of Australia, have done very good things for small business. From a survey that has been released today, it would seem that the confidence of the small business sector in the Australian community is very strong indeed, which is good news for small business and bad news for Labor. The Yellow Pages Small Business Index released today reveals that small business confidence rose sharply over the last three months. This is the period that followed the introduction of the GST. If you go back to when the last survey came out, those opposite were up there saying, ‘Look at this, Prime Minister. Look at this, Treasurer. Doesn’t this demonstrate how the small business community of Australia is trembling with fear about the introduction of the goods and services tax?’ But what today’s survey reveals is that more than 60 per cent of small businesses are confident about their prospects for the next 12 months. According to the author’s comments, the surge in confidence reflected an easier than anticipated reaction to the introduction of the new tax system. In other words, small business having been frightened by the campaign of the Australian Labor Party—deliberately frightened—it will always be remembered that the Labor Party wanted small business to be hurt by the GST. They wanted small business to be damaged. They wanted the Australian economy to be damaged and they are disappointed, indeed politically saddened, by the reality that the Australian small business community has embraced this change, and is embracing it increasingly as time goes by.

The survey found that 62 per cent of small businesses are in favour of the GST—the highest figure recorded by the survey to date. According to the survey, the main reason that businesses support the GST is that they regard it as a fair system. This is not the testimony of the government. This is not the testimony of the Liberal Party or of the Federal Treasury or of the Australian Taxation Office. This is the testimony of the hundreds of thousands of men and women in Australia who run small businesses. They are saying, ‘It is a great reform; it is a great new system. We support it because we think it is fair and we think it is good for Australia.’ That is
why we introduced the system. As the days ago by, more evidence accumulates of the mature judgment being made by the people of Australia about the depth and the quality of this historic reform to Australia’s taxation system. As every day and as every week go by, more and more will reflect in a negative way on the attempt by the Australian Labor Party to sabotage and destroy a visionary attempt by this government to give this country a decent taxation system. It will always be remembered that Labor hoped that small business would be hurt. Labor hoped that small business would reject it. Labor hoped that the Australian people would be damaged by the introduction of the new system. The evidence is now accumulating that that was never going to happen. Now that small business people have had an opportunity to savour the new system, they are voting in favour of a change that is good for them and good for the Australian people.

Goods and Services Tax: Small Business Confidence

Mr CREAN (2.13 p.m.)—My question is directed to the Prime Minister, and I refer to his previous answer on the Yellow Pages Small Business Index survey. Prime Minister, is this the same survey that says expectations of profitability and sales are the second lowest on record? Is it the same survey that says that expectations of capital expenditure are the lowest on record? Is it the same survey that says that 65 per cent of small businesses think you are going to put the GST rate up? Is it the same survey that says that 72 per cent of businesses see the GST as increasing their compliance costs? Or, is your failure to mention it just part of the—

Mr Ross Cameron—Mr Speaker, I rise—

Opposition members interjecting—

Mr SPEAKER—There is something remarkably inconsistent about those who insist on interjecting on someone who proposes a point of order when it has in fact been their anticipation that their point of order would be heard in silence. The member for Parramatta on a point of order, I presume.

Mr Ross Cameron—Mr Speaker, the questions are argumentative and suggest an answer.

Mr SPEAKER—The member for Parramatta would have noted that I interrupted the Deputy Leader of the Opposition because I felt that the questions had been repetitious. I will allow the Deputy Leader of the Opposition’s question to stand. It was longer than I would consider desirable.

Mr HOWARD—Through you, Mr Speaker: I would have thought that, after the disappointing experience you had in relation to your attempts to talk the Australian economy down regarding the introduction of the new taxation system, you may have learned something. You may have learned that occasionally the Australian people appreciate both of their major political parties talking optimistically about this country’s future. But in the lead-up to the introduction of the new taxation system you deliberately set about trying to instil fear and concern in the minds of the Australian community.

The totality of that survey indicates very clearly that, compared with the previous survey, there has been a huge turnaround in the attitude of the small business community. The one defining event that has occurred between the last survey and this survey is the introduction of the new tax system. That turnaround can only be attributed to the fact that the new tax system has been received far more optimistically than the Labor Party hoped would be the case. It has been received very optimistically, and in those circumstances I can only say again to those who sit opposite: your negative, destructive, carping tactics have again failed, as they will in relation to the other reforms that will be introduced by the government during the remainder of this term.

Mr Crean—Mr Speaker, I seek leave to table the survey so that the full picture is known, not just the gloss of the Prime Minister.

Leave not granted.
Goods and Services Tax: Small Business

Mrs GALLUS (2.17 p.m.)—My question is addressed to the Treasurer. Is the Treasurer aware of increasing evidence of support for the government’s taxation reform policies amongst small business? Would the Treasurer also inform the House how small business would view alteration to the new tax system?

Mr COSTELLO—I thank the honourable member for her question. While we are on the question of small business, confidence and profits, I point out that company profits which were released today for the June quarter 2000 show that, over the course of the year, company profits before income tax, interest and depreciation rose by 30.7 per cent, which I think all members of this House would welcome—a strong rise in company profits. Interestingly enough, the last question of the survey was about profits. On a national accounts basis, corporate profits accounted for 24 per cent of GDP in the March quarter, one of the highest profit shares, and these company profits have been produced in a low inflationary environment and at a time when employment has been increasing. A 30.7 per cent increase in company profits over the quarter indicates that corporate Australia is strong and healthy. I am sure that both sides of parliament will welcome a healthy corporate sector in Australia.

It was widely tipped by the Australian Labor Party that tax reform in Australia would be a nightmare. You will recall that the Labor Party’s argument was that Australia could not follow the advanced economies of the world and Australia needed a wholesale sales tax. In a completely opportunistic and economically vandalistic way, they argued for years that, alone of the industrialised countries of the world, Australia would not be able to cope with a value added tax. The small business survey, to which the Prime Minister has already referred, indicated that in May 2000 small business was saying, nearly two to one, that the government had been doing a bad job in implementing the new tax system. However, after its introduction in August 2000, that was completely reversed, with small business saying, by 46 to 28, that the government was doing a good job—a two to one majority the other way. That is an enormous turnaround in the view of small business, from May 2000, when the Labor Party campaign and disinformation was at its height, to August 2000, when small business had the opportunity to interact with the new taxation system.

For the first time ever in this survey, a much more interesting question was asked. Tax reform has become a reality and, as we know, the Labor Party campaign to defeat tax reform was not successful. But the Labor Party has not given up on GST. It has not come into the modern world. It has not really come forward with any economic responsibility, because the Labor Party’s campaign is now to roll back the GST. Isn’t it funny: we have not heard much about roll-back over the last two weeks. Roll-back was the policy that was going to surf the Leader of the Opposition into office. Roll-back, he said, would make GST simpler. Roll-back, he said, would be supported by the small business community. The small business survey asked this question of small business: ‘I think there should be some roll-back of GST.’ Twenty-five per cent agreed with the question, and 65 per cent opposed it. Sixty-five to 25. I have seen some bad surveys on tax in my time, but I have never seen a three to one against GST. Sixty-five per cent opposed the Leader of the Opposition, who claims that in the name of small business he is going to roll back the GST.

I think you owe it to the small business community of Australia to tell them where you are going to roll it back, when you are going to roll it back, how you are going to pay for it and what your new increased income tax rates are going to be. I think the small business community of Australia deserve some answers. We have heard this negative, carping, whingeing, opportunistic performance, which has been put on by a group of people who should know better for, I think, two or three years now. After the GST came in I was absolutely flabbergasted to hear, after all of that campaign, the Labor Party say—guess what?—that they were so opposed to the GST they were going to keep it. Absolutely staggering! But, not to do a
180 degree U-turn, the Labor Party said, ‘We’ll be rolling it back.’ Here we are eight weeks after the introduction of the GST and they are still to name one item, one amount, when or how it will be paid for.

The Leader of the Opposition said he was on an unchartered road to an unknown destination. This would be one of the laziest oppositions in federal history. It is hard to go back through the annals of federal history but, if you were to compare this opposition to the Hayden led opposition or to the Whitlam led opposition—both of which had policies—I think this would unquestionably be the laziest opposition in federal history. The opposition are now being led by two people who are second generation politicians and they are yet to come up with one policy. The small business community of Australia have figured out the Labor Party. Never a truer word was said than when the Leader of the Opposition said, ‘The Labor Party does not pretend to represent small business.’ They do not pretend it and the small business community have figured that out. The one thing you cannot tell them about is roll-back and one thing you will never convince them about is this unchartered road to an unknown destination.

**Goods and Services Tax: Petrol Prices**

Mr Martin Ferguson—My question is to the Minister for Transport and Regional Services and Deputy Prime Minister. Deputy Prime Minister, can you confirm that a litre of petrol bought in Sydney at today’s price includes 46.9c in tax? Deputy Prime Minister, can you also confirm that the same litre of petrol bought at Nyngan today, even after the rebate, includes 47.7c in tax? Deputy Prime Minister, why are Nyngan motorists paying more tax on their petrol than Sydney motorists?

Mr Anderson—I thank the honourable member for Batman for his question. The first point I note is that the member for Batman is plainly in every way in favour not of cheaper fuel but of more expensive fuel. We know that. The Labor Party want to abolish the $500 million that we put in to reduce the country-city differential. We know that.

Opposition members interjecting—

Mr Anderson—Oh, that is simply a lie? Well, let us see a pronouncement from the Labor Party that they support our tax reductions on fuel. Let us see for the first time—because we have not seen it to date—that they have actually repudiated their view that our reductions on fuel excise are nothing more than a boost to pollution.

Mr Beazley interjecting—

Mr Anderson—the Leader of the Opposition has forgotten that that is the member for Dickson’s position, and it has never been repudiated.

Mr Beazley—What are you talking about?

Mr Anderson—it is quite simple: the member for Dickson’s proposition that the reductions in fuel excise that we have put in place are a multibillion dollar boost to pollution. The other general issue that has to be clearly established is that, if there is anyone in this place, if there is anyone in Australia—and there are not many of them—who is hoping that prices for fuel stay high, it is the ALP. If there is anyone who is hoping that the high price of crude remains a difficulty it is the ALP.

Mr Martin Ferguson—Mr Speaker, I rise on a point of order which goes to a question of relevance. It was a very simple question: why are motorists in Nyngan paying more tax on petrol than motorists in Sydney? It is about time we got an answer, rather than the irrelevant wandering around Australia.

Mr Speaker—the member for Batman has raised the point of order and will resume his seat. There is no way that I, as occupier of the chair—or any of my predecessors—would have ruled the Deputy Prime Minister’s answer as anything other than relevant to the question.

Mr Anderson—I refer to the comment I made earlier. In terms of the percentage of excise paid, for every dollar spent on fuel in this country on an average basis, in New South Wales in March 1996 it was 58.6 per cent and in August this year under us it is 47.2 per cent. Whether it was the extra $2.2 billion or $2.3 billion that the Labor Party
want them to pay in excise on transport fuel, whether it is the $500 million or whether it is the GST rebate on business petrol, the simple reality is that, if people wanted to pay more for petrol in rural and regional Australia, they would do something that I do not believe they intend doing in a million years, and that is vote Labor.

Immigration: Woomera Centre

Mr WAKELIN (2.30 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Can the minister inform the House of what action has been taken to end the disturbance at the immigration detention centre at Woomera? Does the government intend to prosecute those involved in this disturbance, and what measures are there to remove people from Australia if they have no lawful right to remain?

Mr RUDDOCK—I thank the honourable member for Grey for his question. I note that Woomera is in his electorate, and I share his concern for the constituents who live there about the events that have taken place and for any threat that they have felt and the concern that they obviously have about the events that have unfolded there over the last couple of days. The situation today is that, despite the threat to the physical presence of the detention staff and the extensive damage caused by 60 to 80 people who rioted yesterday, ACM and APS officers have managed to bring the situation under control. This afternoon it is quiet. Yesterday the measures used to subdue the rioters which included a water cannon—I might say that that is really the local airport fire service facility—and tear gas were entirely appropriate and necessary, given that some 30 officers received injuries, and some sufficiently serious to warrant treatment at the local hospital. When people take out fence posts and use them to manufacture spears and fashion makeshift catapults to propel rocks, they must be held accountable for their action. Such behaviour is totally unacceptable.

Last night, 10 people were removed from the centre and taken to the Woomera lock-up. They will be transferred to appropriate facilities in Port Augusta and Adelaide. Today, detention centre staff have done a walk-through of the centre and have removed a further 17 people whom they believe were ringleaders, and they are in the process of identifying and locating others who were involved. Some 60 people from within the centre have sought to be voluntarily relocated because of concerns that they felt for their safety in view of the intimidation under which they had been placed by others. Some six buildings were destroyed, including the dining, recreation and educational facilities, as well as the ablution blocks. Of course, extensive damage occurred to the surrounding fences.

The Australian Federal Police and the South Australian police are examining the burnt-out buildings to establish the cause of the fires. The department is assessing what new capital works may be required and whether or not people need to be relocated to other detention centres. Clearly, it is extremely difficult to provide meals to the 730 detainees when the facilities have been destroyed, and those matters are being addressed. I have asked the Federal Police and the South Australian police, in conjunction with my department, to investigate what charges can be laid. We are looking at videos taken of the incidents and we will use those to help in identification. Obviously, if the law is not adequate, I will come back to the House to ensure that appropriate penalties do exist for actions of this sort.

Let me make it quite clear that these events will in no way persuade the government to grant detainees refugee status if they are not refugees. People who are found not to be refugees and who have no claim to be here must be removed as soon as practicable. Some people have attempted to justify what has happened here, and they have done so quite misleadingly by suggesting that people could be released when refugee status has been determined.

Mrs Irwin interjecting—

Mr Latham interjecting—

Mr SPEAKER—The member for Werriwa and the member for Fowler, the minister has the call.

Mr Latham interjecting—
Mr RUDDOCK—One organisation that should know far better than most, because it is funded to have expertise in these matters, is the Refugee Council of Australia. Let me say that very deliberately; because they know, as this House has been informed, that some 1,700 people were determined to be refugees but that issues relating to security, character and health have not been satisfactorily addressed. I am not prepared, nor do I think anybody would ask me, to have released into the Australian community people where those issues have not been satisfactorily addressed. Those who suggest that there has been any effort on our part to keep people in detention and that that in some way justifies what has happened—

Mr Albanese—Like Amnesty.

Mr RUDDOCK—Let me just be very clear: if any organisation—no matter how worthy they are—knowingly misrepresent the situation, that is to be addressed and I will continue to address it.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect, the minister has the call. The minister is entitled, as all members are, to be heard in silence.

Mr RUDDOCK—Thank you very much, Mr Speaker. Let me just conclude by paying tribute to all the personnel who have been involved and acknowledging the strong cooperation between Commonwealth and state agencies and the highly professional way in which they have taken their duties under very considerable duress. No people engaged to carry out a responsibility of maintaining a facility should be subjected to danger to their life and limb and their person through actions of this sort. Let me make it abundantly clear that there is no way that we will be compromising the way in which these issues are addressed and no way that we will succumb to any duress by any organisation or by anybody misrepresenting or otherwise the situation in relation to these matters.

Olympic Games: Hospitality Boxes and Tickets

Mr ANDREN (2.37 p.m.)—My question is to the Prime Minister. Can you confirm that the government has hired corporate boxes at Stadium Australia and purchased $850,000 worth of tickets for the express purpose of advancing Australia's interests at the Olympics? Does the government concede that, similarly, companies offering games packages, including air fares, accommodation, hospitality, tickets and gifts to members of parliament, do so to advance their corporate interests? Given these taxpayer funded boxes, do you support the statement of the Minister for Communications, Information Technology and the Arts that to refuse corporate games hospitality would be criminally negligent?

Mr HOWARD—I thank the member for Calare for his question. This is a matter that has been in the news in recent weeks. If I may take a moment not only to answer the question asked by the member for Calare but also to explain the perspectives that the government brings to this matter, the government has purchased those tickets and it does have a box, and that is for the purpose of providing appropriate hospitality to guests of the Commonwealth. I think that is entirely appropriate given the importance of these games. I do not apologise in any way for what the government has done, and I do not think the member for Calare seeks me to do it. He asked me what the motives of companies are in offering hospitality. I would imagine that most companies that offer hospitality to anybody, be it a member of parliament or somebody else, would want the person receiving the hospitality to at least think not less favourably of the company but perhaps more favourably. That is self-evident, and I think all of us here are sufficiently seasoned and adult to understand that that is the case. For my part, I cannot see any real difference between somebody being offered a ticket and a place for advantageous viewing of a sporting event in a box at the Olympic Games and perhaps the AFL Grand Final. I might ask rhetorically how many members of this House on both sides might
possibly be in corporate boxes at the AFL Grand Final. I do not know. Can I say that I offer no criticism of that. I do not see any difference in principle between somebody accepting hospitality from a corporate body at an AFL grand final, a cricket test, a rugby union international or a rugby league grand final and the Olympic Games. It depends a bit on your sporting tastes. Many of us would regard attending the Olympic Games as being the pinnacle. Others might regard attendance at one of those other fixtures as being far more important.

Mr Crean—Not a 10-grand package.

Mr HOWARD—I am interested that the Deputy Leader of the Opposition interjects, ‘Not a 10-grand package.’ I notice of course that the Leader of the Opposition has laid down I think some quite sensible guidelines as far as his own frontbench are concerned. I do not see a great deal of difference between the approach that is being taken by the Leader of the Opposition and the approach that is being taken by the government. As far as the government is concerned, there are a couple of rules that are clear. The first is that any hospitality that is accepted must be declared so that people are aware of it. Secondly, the government has decided that in accepting any hospitality no member of the government should accept overnight accommodation from a corporate sponsor and, given that there are certain travel entitlements, that therefore the extent of the hospitality that will be extended by the corporates will be the value of the tickets and the value of any hospitality that may accompany them. In that sense, they will be in exactly the same position as somebody who accenst hospitality at a football match or at a cricket fixture.

We have discussed this matter. It is not easy. On the one hand, it is possible to use the sort of extravagant interjection of the Deputy Leader of the Opposition. It is easy to fling around allegations about $10,000 packages. We will have in this country in the next few weeks probably the largest gathering of senior company executives that has ever been in this country across a whole range of responsibilities of the government. For this government and its senior members to pass up the opportunity of meeting those people and advancing the interests of this country would be absolutely ridiculous. I think the rules that have been set by this government are sensible. They strike a balance between avoiding the impression of accepting too much from individual companies and, equally, not passing up the opportunity of talking to people who have a significant capacity to invest in the economic future of this country.

I have to say I find absurd the proposition that any member of this parliament of any political persuasion will be influenced in his or her decision by the acceptance of some hospitality at a sporting event. It has been going on for time immemorial. The Leader of the Opposition when he was a minister accepted hospitality. The member for Kingsford-Smith when he was a minister accepted hospitality. The Deputy Leader of the Opposition when he was a minister accepted hospitality. Let us have an end to this humbug from the Labor Party.

East Timor: Australian Assistance

Mr NEHL (2.44 p.m.)—My question is addressed to the Minister for Foreign Affairs. Tomorrow, 30 August, will be the first anniversary of the ballot in East Timor. Would the minister inform the House of the steps the Australian government is taking to assist this emerging nation and of the role the United Nations is playing in the process.

Mr DOWNER—First of all, I thank the honourable member for Cowper for his question and appreciate his interest in East Timor. Tomorrow is indeed the first anniversary of the ballot being held under United Nations supervision for independence in East Timor, and it is with great pleasure that I will be representing the Australian government at ceremonies in East Timor tomorrow. There is no doubt that this government and this country are committed to assisting East Timor in the transition to independence, and I will be repeating that message very strongly tomorrow when I meet the East Timorese leadership.

Members may be interested to know that, over the last year, Australian assistance has helped to reopen 750 schools. We have provided seeds and tools for over 30,000 farm-
ing families, we have provided clean water
to more than 100,000 people, we have helped
to deliver 17,000 housing and roofing kits,
and we are working with community groups
on employment generation and community
based projects. The House may also be inter-
ested to know that the Department of Fi-
nance and Administration, which has done
such a magnificent job in managing our own
financial outlays over the last 4 ½ years, will
be helping East Timor to establish and to
manage a national budget. We will also con-
tinue to help with security. There are over
1,500 members of the Australian Defence
Force deployed in East Timor with the
peacekeeping operation, and most of those
are in the most dangerous part of East Timor,
that is, the western region. There are also 80
Australian police within the United Nations
civilian police.

It is important, both while I am in East
Timor and for ministers visiting Jakarta now
and in the next weeks, and I think the Treas-
urer will be in Jakarta fairly soon—next
week, I am told—for us to continue to re-
mind people in East Timor, as well as in In-
donesia, that we are deeply concerned about
militia activity, in particular across the bor-
der; that Indonesia is responsible for security
on its side of the border and it is responsible
for the disarming of the militias; and that we
look to the Indonesian government to fulfil
those obligations and also to continue the
work it is doing in cooperation with the UN
and countries like ours to move towards the
disbandment of the refugee camps and get
the refugees repatriated to East Timor or to
remain in Indonesia with regard to their
wishes.

Let me finally say that the United Nations
Transitional Authority in East Timor, under
the leadership of Sergio de Mello, has done
an extremely good and proficient job in a
difficult circumstance. Of course there have
been criticisms from time to time that are
picked up in the media and displayed in
newspapers and the like, but this is a difficult
task and it is being done with great dedica-
tion, great enthusiasm and great profession-
alismin by the United Nations. We, for our
part, are proud to have been able to help
them and very much appreciate the excellent
job they have done.

**Research and Development: Business
Expenditure**

Mr BEAZLEY (2.49 p.m.)—My question
is to the Prime Minister. Is the Prime Minis-
ter aware of the chief scientist’s report that
Australia has now fallen to 19th out of 28
countries in the OECD in business expendi-
ture on R&D since 1996? Is the Prime Min-
ister aware of subsequent data released by
the ABS yesterday which show that the fall
in our R&D performance since you came to
office is the worst in the developed world
and that we have now fallen behind key
competitors like Austria and Canada, and
even trail behind Iceland? When will the
government commit to the R&D incentives
and education investment necessary for us to
succeed in the 21st century.

Mr HOWARD—I thank the Leader of
the Opposition for the question. I am aware
of the report of the chief scientist and I am
also aware of the ABS figures that were re-
leased this morning. They have shown a de-
cline in expenditure on R&D, and that is a
matter that requires study by the government
to understand the reasons for it. It is an issue
to which, in response to the recommenda-
tions of the innovation summit, the govern-
ment will be directing its attention. It would,
however, I think, be a little simplistic to
imagine that you can turn that around simply
by, as is being alleged by those who sit op-
posite, restoration of the programs that ex-
isted under the former government. Some of
those programs were good; some of them
were bad. Some of those programs encour-
gaged rorts, particularly syndication, and the
abolition of those rorts by the government
was totally justified. It would be equally
simplistic to suggest that a restoration of the
tax concession from 125 to 150 per cent
would automatically change things over-
night.

There are a number of reasons. There has
been a significant decline in the investment
in R&D by the mining sector. That is in part
a function of the change in commodity
prices. I note that, even in the United King-
dom, which seems to provide many of the
ideas for the present opposition, there has
been a sustained fall in gross expenditure on research and development over recent years.

The Leader of the Opposition expresses the aspiration that Australia should have a secure, sound and optimistic economic future. I would remind the Leader of the Opposition that, over the last 4½ years, we have seen this country grow at a stronger rate and in a more evenly based, sustained fashion than it has for 30 years. If the Leader of the Opposition seeks to compare this country with Austria, Iceland or indeed any of the other countries that he seeks to compare us with, I am very happy for that comparison to take place. If the Leader of the Opposition wants to get into the business of economic comparisons, I would remind him of the outstanding productivity growths that have occurred under this government, I would remind him of the fact that we have 810,000 more Australians in work than when he gave up the treasury bench in March of 1996, and I would remind him of the much lower inflation, of the lower interest rates, of the high levels of business investment and of the fact that this country successfully stared down the biggest economic decline that the Asia-Pacific region has had in 30 years. If the Leader of the Opposition wants to get into the business of economic comparison, I am more than happy to indulge him over the next 14 months.

Industrial Relations: Disputes

Mr BILLSON (2.52 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, the metal trades unions have called a 24-hour state wide strike in Victoria today in support of an industry-wide agreement. Would you inform the House of the impact this strike will have on the Victorian business community and the state’s economy and could you further inform the House of the actions that have been taken to avert this strike? What impact would alternative policies have on this type of industrial action?

Mr REITH—I thank the member for Dunkley for his question. I share, as I am sure other members from Victoria also share, his concerns about the damage being wrought by the AMWU and other unions in Victoria. The likely impact is very significant—tens of millions of dollars in lost production. We are not sure yet from the early reports how many people have actually supported the AMWU’s campaign. They say 20,000. The employer groups say 10,000. Whichever it is, it is a lot of workers taking industrial action and it obviously involves millions of dollars of lost wages, millions of dollars of lost exports and, just as seriously, the loss of reputation for the state of Victoria’s manufacturing sector, particularly at a time when, for example, Holden are looking for a new plant. I think it was someone from Holden who said, ‘Well, this is a plant that’s there to be lost.’ In other words, it is an opportunity but an opportunity to be lost if Victoria continues to undermine its reputation as a reliable supplier.

This is a campaign run by the unions basically to knock off enterprise bargaining. Enterprise bargaining is a system introduced by the Labor Party, tentatively, in the early 1990s which had our support. As a government in 1996 and since, we have gone further in the encouragement of enterprise bargaining. It works. There are more people with jobs today, people who have got jobs have got higher wages, productivity is up and the level of industrial disputes under this better system has reached all-time record lows. This is a better system, in everybody’s interests, which even the Labor Party when they were in office said was a good idea and we should promote. Now, sadly, we have a group of militant trade unionists in Victoria who are setting out to destroy a system which has provided benefits for workers. They are simply manipulating the system to allow for industry agreements. Not even the Labor Party in office were in favour of industry wide strikes. Yet now, because the AMWU is one of the biggest donors to the Labor Party, the Labor Party’s policy has changed. Complemented by a policy to also abolish the secondary boycott provisions of the Trade Practices Act, the Labor Party’s policy in action can be seen in the state of Victoria today. If ever they were on this side of the House, what you would see Australia wide is exactly what you are seeing in Victoria today—more strikes, lower productivity, lower wages and fewer jobs for the hard
working workers who, in my view, deserve a lot better.

The Labor Party are saying there should be a process of mediation. When we put up a proposal for mediation, the Labor Party voted against it. They say that this dispute would not occur if the Industrial Relations Commission had more power. Yet, when that very bill to give more power to the Industrial Relations Commission is in the Senate this week, the Labor Party will vote against it. Lastly, the people who are dunned by these left-wing militant union leaders are the very workers they claim to represent. This week there will be an opportunity for the Labor Party to vote for the workers to give them a right to have a say in a secret ballot as to whether or not they support industrial action. What will the Labor Party do? They will vote against the rights of workers. What is happening in Victoria today is the Labor Party’s policy in action and it demonstrates for all to see why this lot on the opposition benches, run by the trade union movement, should never be given the opportunity to change Australia’s workplace relations system.

Education: Funding for Non-government Schools

Mr LEE (2.58 p.m.)—My question without notice is addressed to the Prime Minister. Does the Prime Minister stand by his claims last Friday that his new schools funding formula was fairer and ‘would advantage the more poorly resourced independent schools, not the reverse’? Is the Prime Minister aware that his own education department officials confirmed last week that the 62 richest schools will, on average, have their funding doubled and get an extra $50 million between them? Will any of the more poorly resourced independent schools that the Prime Minister referred to get a doubling of their funding? Prime Minister, how can you claim that your new formula is fair when the greatest gains go to the richest schools?

Mr HOWARD—This attempt by the Labor Party to open up some kind of ‘envy’ campaign in relation to independent schools ought to be very strongly condemned. I stand by the statements that I made last week and remind the member for Dobell that the new schools policy of the government has been endorsed not only by bodies such as the Australian Parents Council and the National Association of Independent Schools but also by the National Catholic Education Commission, which represents all of the systemic schools within the Catholic system. The reason that the policy has been endorsed by all of those bodies is that, over the time we have been in government, we have acted to bring in the new SES system for calculating the entitlement of independent schools. The new SES system takes greater account of the socioeconomic capacity of parents and is not as hidebound by historic factors that have worked against many independent schools, particularly those in rural and regional areas which at one stage of their history may have been better endowed, and their parents may have been better endowed, than the ravages of changes in economic circumstances have now produced. It is also supported by those bodies because one of the very important undertakings that I made on behalf of the coalition to the National Catholic Education Commission before the 1998 election was in relation to raising all Catholic schools in the systemic system to category 11. That was very widely welcomed by the Catholic education system.

The member for Dobell will know that among the poorer resourced independent schools within the Australian education system are, in fact, many of the Catholic systemic schools. The member for Dobell does not seek to have this debate across the totality of what the government has done in relation to independent schools but seeks to rely upon one narrow aspect of what the government has done. I am unconditionally proud of what the government has done to advance freedom of choice and, in the words of the head of the independent Christian schools association, ‘freedom of choice to send your child to an independent school is now a reality for working-class people in Australia’. That has been made possible by the policies of this government. The member for Dobell—no doubt getting his riding instructions from the Australian Education Union—has attempted to introduce the sort of divisive argument which I thought we had put behind us. The reality is that, as is their right, there
are many well-off parents in Australia who choose to send their children to government schools. One of the more irrelevant and I thought foolish interventions in this debate was made by the headmaster of an independent school in Victoria who suggested that those people should be charged fees. Just as well-off people have a right to send their children to government schools, it is equally the case that not so well-off people should be able to aspire to send their children to independent schools.

The thing that has made that possible, far more than anything else, has been the abolition of the new schools policy retained by the Australian Labor Party. What the abolition of the new schools policy has produced is a capacity on the part of, say, the Sydney Anglican community to begin building an Anglican system in the western suburbs of Sydney where they will offer parents the opportunity of sending their children to independent schools for fees of $2,000, $3,000 and $4,000 a year. It was only possible to bring in that new policy because we got the legislation through the Senate with the help of Senator Harradine. It was voted against by the Australian Labor Party. The Australian Labor Party voted to stop the expansion of the Anglican system and systems like it within the western suburbs of Sydney. Their blind ideology on this would seek to preserve an education system essentially built around the government structure, which has made a great contribution to the education of Australian children, and what you might loosely call the established or traditional independent structure and the Catholic systemic system, without allowing for the expansion of a new stream in the independent school area which increasingly is available to parents on more modest incomes.

We stand unarguably for freedom of choice. We reject the old shibboleths in this debate. We want working-class families to have the opportunity to send their children to independent schools and we also recognise the sacrifices that many Australian parents make to send their children to independent schools. I am proud of our education policies in this area and I totally reject the old-fashioned class humbug of the Australian Education Union.

Honourable members interjecting—

Mr SPEAKER—The Minister for Defence and the Minister for Foreign Affairs are not assisting the House in coming to order.

Mrs Crosio interjecting—

Mr SPEAKER—The member for Prospect is now warned!

Private Health Insurance: Lifetime Health Cover

Mr ST CLAIR (3.07 p.m.)—My question is addressed to the Minister for Health and Aged Care. Is the minister aware of recent comments describing Lifetime Health Cover as a scam and suggesting that more focus is required on the public hospital system, and are these comments accurate?

Dr WOOLDRIDGE—I thank the honourable member for his question. Last Wednesday the Leader of the Opposition was up in Townsville in the electorate of Herbert. While this might seem to be a futile exercise given the extraordinarily good representation the people of Herbert get, these comments really cannot go unchallenged. To give some idea of the doublethink of the Leader of the Opposition, immediately after describing Lifetime Health Cover as a sham, he attempted to go on by saying:

Don’t get me wrong, I actually happen to believe in private health insurance.

This is fascinating for a person who sat in a government that ended the government contribution to the reinsurance pool, removed Medicare, and reduced Medicare rebate from 85 per cent to 75 per cent, thereby increasing the cost of private health insurance by 37 per cent over and above what it would be otherwise. It is very interesting that he can pretend to support the private health insurance industry when as Minister for Finance he oversaw an industry with a $120 million loss in one year, when a quarter of the funds were under prudential requirements. But what he is describing as a scam is in fact a piece of legislation that the
Labor Party supported. I think there is only one reason that you can explain this sort of doublethink, and that is we believe that the Leader of the Opposition would secretly like to support private health insurance, like John Della Bosca, like Graham Richardson, like Bob Carr and like Peter Beattie, but the fact is that he is not strong enough to stand up to the left wing in the Labor Party and he gets pushed around, not able to stand up for what he believes.

If you want to look at public hospitals, Mr Speaker, it is very simple. We believe that up to 400,000 extra procedures will be done as the result of nearly two million people coming into private health insurance. These procedures will either be done in private hospitals, which means that that frees up a bed in a public hospital, or be done as a private patient in a public hospital, which will provide a new source of revenue to the public hospitals themselves. The Labor Party interject about Medicare, and of course they basked in smug complacency over Medicare. Their Medicare did not immunise Australian children, did not meet the needs of rural Australia, did not meet the needs of people with a mental illness and did not meet the needs of indigenous Australians. All this inconsistency is very easy to understand and explain. They want to roll back the 30 per cent rebate. They do not want private health insurance. They have not invented the system and they do not support it, and it will lead to some very simple things: increased premiums, particularly for older Australians, and more pressure on our public hospitals, and Australians will lose choice.

**Education: Fundraising**

Mr LEE (3.10 p.m)—My question is again to the Prime Minister. Does the Prime Minister recall saying in his speech last Friday while opening a new facility at Melbourne Grammar that ‘Every last dollar of this wonderful facility was contributed by the parent body and the supporters of the school, the whole $4 or $5 million of it’? Prime Minister, how many government schools or low fee Catholic or independent schools have the ability to raise $5 million from their parents or old boys?

*Government members interjecting—*
of schools. The other category of schools is those low fee independent schools, and you voted to stop them expanding. When the bill came before the parliament to abolish the new schools policy that you maintained, you all voted to maintain the old system. The old system would have prevented the establishment of Anglican systemic schools in the western suburbs of Sydney charging fees of $2,000, $3,000 or $4,000 a year. These are the schools that John Aquilina is now wanting to run the ruler over in New South Wales because he has been sooled onto them by the teacher unions in that particular state. That is what you are trying to stop, and no attempt to drag Melbourne Grammar into it is going to alter that reality.

**Aviation: Virgin Airlines**

Mr BAIRD (3.14 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the minister outline to the House the benefits expected to flow to Australian travellers from increased competition in air travel with the entry of Virgin Blue airlines into the market yesterday?

Mr ANDERSON—I thank the honourable member for his question and note his real interest in aviation matters. The launch of Virgin Blue is a very clear demonstration of how the government has transformed the environment in the Australian airline industry. For the first time, new entrants like Impulse and Virgin Blue have a real chance to operate successfully. Labor talked a good game about opening up our skies and increasing competition, but it all went nowhere. In contrast, this government leased the major airports, with the result that their operators now have a financial incentive—

*Opposition members interjecting—*

Mr ANDERSON—They do. They have a financial incentive to provide adequate terminal facilities. This government also changed the foreign ownership rules and made it easier and simpler for Virgin Blue to start operations in this country—indeed, their first flight will be on Thursday of this week. It would have been a bureaucratic impossibility under Labor. It was this government that created an economic and business environment where investment for new entrants became attractive. That increased competition will create jobs, and it will reduce prices for the travelling public. It is worth noting that the cost of economy airfares in recent years, in real terms, has been rising, not falling. In the case of up-market airfares, it has been rising even more rapidly. We will see reduced prices for the travelling public and we will see a boost to our tourism industry—now our biggest export earner.

Virgin Blue now employs about 300 people. Impulse has put on an extra 350 staff, including 110 staff at its Newcastle reservations centre, and it is continuing to recruit new staff. We are seeing a very interesting development indeed. It could even be said that, during the term of one narrow window of opportunity, it was possible for people to purchase an airfare from city to city that was cheaper than the cost of a taxi to go to the airport. We have achieved all of this without cutting any corners on safety. Impulse and Virgin Blue have been through a very rigorous approval process that involved 14 CASA staff working full-time for seven months. Both operators are safe; both have earned their right to fly.

Whilst some have claimed that increased competition on the eastern routes might somehow affect regional Australia, I have to say that the east coast sees some of the busiest sectors in this country—indeed, in the world. I think Sydney to Melbourne is the third or fourth busiest sector in the world today, and it can well sustain competition from four airlines. The airlines have heard from me regularly about the importance of maintaining and improving their services in regional Australia, and the fact remains that our policies have transformed Australia’s airline industry to the great benefit of every-
one. At the same time, we are reforming the Civil Aviation Safety Authority in a measured and responsible way. We have introduced the best and most advanced traffic control system in the world, and these reforms are of benefit to the broader economy, to the tourism industry, to regional Australia and to the travelling public.

**Education: Funding for Catholic Schools**

Mr LEE (3.19 p.m.)—My question without notice is addressed to the Minister for Education, Training and Youth Affairs, and it again concerns funding for schools. Does the minister recall his comments reported in the *Age* on 5 August that the largest increases would go to needy Catholic schools? Is the minister aware that his own department agreed last week that 62 category 1 schools will get an average increase of more than $800,000 a year? Is he also aware that figures supplied by his own office demonstrate that more than 1,600 Catholic schools get an average increase of about $60,000? Minister, were you aware that your new schools funding formula will deliver the greatest gains to the richest schools, or did you deliberately mislead the readers of the *Age*?

Dr KEMP—The government school funding policies have introduced a new level of fairness, equity and social justice into schools funding. The vast proportion of the funding that will flow to schools under the government’s policies over the next year and over the next quadrennium will go to the neediest schools. Under the new SES funding policy, the neediest schools could be said to be the schools below the SES score of 100. That score is slightly above the score of the Catholic parish schools, which is around 96. Those schools will receive some 76 per cent of the total funding over the next year and over the next four years.

The next critical point is this: the schools serving the wealthiest families in Australia will receive essentially no funding increase. Those schools will be funded at an equivalent to 13.7 per cent of the average government school recurrent cost, and that is essentially the funding level that those schools get under the present system—there is no increase. From there through to the neediest schools there is a progression in funding according to need.

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan is warned!

Dr KEMP—The figures that were used in this question are the figures that have been peddled in the Senate by Senator Carr.

Mr Lee interjecting—

Dr KEMP—They are not the figures given by my department.

Mr Lee—They are.

Dr KEMP—They are the figures peddled in the Senate by Senator Carr. Senator Carr has been circulating figures suggesting that some schools that people would regard as wealthy schools will be getting funding increases of a million dollars or more.

Mr Lee interjecting—

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

Dr KEMP—Let me make it quite clear that these figures of Senator Carr’s are grossly inaccurate—wildly inaccurate—in all the preliminary assessments that we have done of the real figures coming in from the schools, and indeed in a number of cases they are out by more than a million dollars. The category 1 schools have been shown by the application of the SES measure—and this is very important; listen to this—to range in SES score from 93 to 130. That score is slightly above the score of the Catholic parish schools, which is around 96. Those schools will receive some 76 per cent of the total funding over the next year and over the next four years.

The sooner you stop trying to divide this community and misleading people and telling falsehoods about the funding situation the more respect the Labor Party will have, because at the moment it has absolutely none. These figures that you quote attempt-
ing to demonstrate injustice are totally fallacious.

Mr Lee interjecting—

Dr KEMP—You will see, when the SES scores are released for these schools, that yours are totally fallacious and that the schools are being funded quite clearly according to the relative need of the parents.

Native Title: Alternative Policies

Mr HAASE (3.24 p.m.)—My question is addressed to the Attorney-General. The Attorney-General announced on Sunday that he will reconsider the Northern Territory’s proposed alternative native title regimes. Would the Attorney inform the House of these developments? Is the Attorney aware of any alternative policies on native title?

Mr WILLIAMS—I thank the member for Kalgoorlie for his question, and I note his keen interest in native title issues. Members will recall that last August the Senate disallowed the Northern Territory’s proposed alternative native title regimes relating to petroleum, mining and land acquisition. I am informed that the backlog of mining applications in the Northern Territory now exceeds 1,000. The Northern Territory has amended its legislation a number of times since it was first introduced to ensure its workability. In fact, it amended it after I made the determinations in relation to the basic legislation in April last year but before it was disallowed by the Senate. I received a request last week from the Chief Minister of the Northern Territory to make three determinations that the new Northern Territory regimes comply with the Native Title Act, and I am presently considering that legislation.

The question of whether there are alternative policies on native title continues to be an issue. Tomorrow, I understand, the Senate will debate 13 disallowance motions on the 13 determinations I made in relation to the Queensland alternative native title regimes. From media reports today it remains unclear whether the Labor Party have a policy to support their Queensland colleagues and allow the legislation to stand or to disallow it. In fact, it appears that, while Labor are facing the potential embarrassment of disallowing Queensland Labor’s laws, there seems to be something of a split within the ranks. The Financial Review reported today that the federal shadow cabinet is deeply divided over the issue and it seems that the Leader of the Opposition has been personally in contact with Premier Beattie on a possible compromise. In fact, I am told he delayed shadow cabinet yesterday for the purpose of dealing with the issue. At the same time the Courier-Mail reported today that the shadow Aboriginal affairs spokesperson is threatening to resign from shadow cabinet over the proposal.

Government members interjecting—

Mr SPEAKER—Members on my right, the Attorney-General has the call.

Mr WILLIAMS—The member for Banks told the Financial Review that federal Labor should disallow the Queensland regime. The question continues to be what will federal Labor do, and it continues to be a question without an answer. The Leader of the Opposition seems to have backed himself into a corner. On the one hand he has told the Queensland indigenous groups that the opposition will reject the laws and guarantee the right to negotiate on mining tenements; on the other hand he is doing slick deals with the Queensland Premier against the opposition of the member for Banks. The people of Queensland still have to put up with this indecision, and that indecision comes at considerable cost. The Queensland Mining Council has estimated that over $300 million worth of mineral exploration has been lost in Queensland over the impasse. Premier Beattie has warned of a meltdown in Queensland over this issue and he has been pleading with his federal counterparts over the matter for months. The federal Labor Party must stop bickering and get on and make a decision.

Opposition members—Oh!

Honourable members interjecting—

Mr SPEAKER—The Attorney-General has the call.

Mr WILLIAMS—It is long past the time for the Leader of the Opposition to show leadership on this issue.
Tuesday, 29 August 2000

REPRESENTATIVES

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Education: Funding for Non-government Schools

Mr LEE (3.29 p.m.)—My question is again addressed to the Minister for Education, Training and Youth Affairs. Can the minister confirm that Australia’s 62 category 1 schools represent less than one per cent of Australia’s schools? Can the minister confirm that more than 50 per cent of the Howard cabinet attended these category 1 schools? Minister, how many supported your plan to give the greatest increases to your old schools?

Honourable members interjecting—

Mr SPEAKER—It is a very sad reflection on every member of this House that if the Speaker’s attention is not directed at every member of the House it seems there is a licence to simply interject.

Dr Nelson—Mr Speaker, I rise on a point of order. The question should be ruled out of order—

Mrs Crosio interjecting—

Mr McMullan—Mr Speaker, I was just concluding my point of order, and I resumed my seat because you rose. My point was that the second and third parts of the question were entirely consistent with questions that have been raised in the past—going to similar potential for people to make decisions affecting interests that they have in particular separate from those which reflect the rest of society—which are consistently given by the Leader of the House.

Dr KEMP—I am sure that members on both sides of the House can make up their minds on this policy area when they apply themselves to it, without being influenced by the fact that the Leader of the Opposition’s children go to non-government schools or that my child goes to a government school. There is no reason to believe that this policy area is decided on this side of the House on anything other than grounds of fairness and equity. I would not make any personal accusation against the opposition that might imply that they are supporting this legislation for any particular reason. As we know, de-
spite their efforts to stir up concern in the community—and by their inaccuracy and lies—the opposition will nevertheless be voting for this legislation in the Senate.

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

ANSWERS TO QUESTIONS WITHOUT NOTICE

Education: Funding for Non-government Schools

Mr Howard (3.36 p.m.)—Mr Speaker, I would like to add to an answer that I gave to the member for Dobell. I said in the answer to the first question that was asked of me by the member for Dobell that the government’s policies had received support from a number of education bodies speaking on behalf of non-government schools. I referred to the National Catholic Education Commission, and I would like to inform the House briefly of the contents of a statement in relation to this issue by Father Tom Doyle, who is the Deputy Chairman of the National Catholic Education Commission. He encouraged all members of the parliament to support the legislation that contains the funding provisions which have been the subject of critical comment by the Labor Party in recent days, including in question time. This is in part what Father Doyle had to say, and it is relevant to the question asked by the member for Dobell. Father Doyle said:

The Bill has the support of the NCEC and the State and Territory Catholic Education Commissions as it recognises that the allocation of funds is based upon need.

The new funding arrangements also provide surety of funding to Catholic schools over the next quadrennium. The Bill links grants to the average cost of schooling in the government sector and will therefore promote equity and accessibility for families who wish to exercise their right of schooling choice for their child. It also promotes fairness.

These are the words of Father Doyle. They are not the words of John Howard or David Kemp. He goes on to say:

The Bill also reinforces—‘reinforces’, Father Doyle said—and enhances the Commonwealth Government’s decision in 1998 to implement the recommendation of the Non-government Schools Funding Review Committee which said that there was an unacceptable resourcing gap between Catholic schools and other schools.

In other words, the major body representing the Catholic school system in Australia says that the totality of the government’s approach to funding ought to be supported because it is based upon the principle of fairness and need.

Mr McMullan (Fraser—Manager of Opposition Business) (3.39 p.m.)—I have two matters to raise. Firstly, I ask if the Prime Minister will table that document, because we would quite like to look at the rest of it. The second thing—we were prevented from raising this point by the Prime Minister calling off question time, but I was surprised—

Government members interjecting—

Mr McMullen—No, I am not objecting to it. He was entitled to do it. I was marking the time in point because, otherwise, it might be said that we were not raising this at the first opportunity. I am concerned, Mr Speaker, that you allowed the Minister for Education, Training and Youth Affairs to make an accusation about telling lies in this place without pulling him up on it. I do not think that is a new standard, but if it is it should be universally applied.

Mr Speaker—I thank the Manager of Opposition Business. I will be happy to discuss this matter with him. I did, of course, note that. He and I and the Leader of the House clearly want the standards to continue to be raised, and I think we have been marginally successful in that. I had thought that the reference to individuals telling untruths was a thing that we would be more concerned about than bodies, and that has been consistent with past rulings. But I will be happy to look at that ruling with him if he wishes.

PERSONAL EXPLANATIONS

Mr Lee (Dobell) (3.40 p.m.)—Mr Speaker, I wish to make a personal explanation.
Mr SPEAKER—Does the honourable member claim to have been misrepresented?
Mr LEE—Yes.
Mr SPEAKER—Please proceed.

Mr LEE—Several times during question time the Minister for Education, Training and Youth Affairs claimed that I had used misleading figures. Could I simply rebut that by quoting the same Father Doyle whom the Prime Minister quoted and who said at a Senate hearing last week that:
... the SES model in itself is not sufficient and that it needs modification...
That is why we talk about SES—

Mr SPEAKER—The member for Dobell must indicate where he has been personally misrepresented. He will resume his seat.

QUESTIONS TO MR SPEAKER

Questions on Notice

Ms JAN McFARLANE (3.41 p.m.)—Mr Speaker, I have questions on the Notice Paper that have not been answered and more than 60 days have elapsed. I ask you to write to the Treasurer seeking reasons for the delay in answering questions Nos. 1518, 1519, 1520, 1521 and 1657.

Mr SPEAKER—I will follow up the matter raised by the member for Stirling.

Questions on Notice

Dr THEOPHANOUS (3.41 p.m.)—Mr Speaker, similarly, and in the light of today’s discussions on refugees, I would ask you to write to the Prime Minister to seek an answer to my question from 7 June, question No. 1620, in relation to detention policy.

Mr SPEAKER—I will follow up the matter raised by the member for Calwell.

Questions on Notice

Mr MURPHY (3.41 p.m.)—On 27 June 2000, question on notice No. 1694, addressed to the Treasurer, about the government’s Joe Cocker GST TV commercials first appeared on the Notice Paper in my name. As it is now 63 days since the question first appeared on the Notice Paper, I would appreciate it if you would write to the Treasurer seeking reasons for the delay in answering it.

Mr SPEAKER—I will follow up the matter raised by the member for Lowe.

Parliamentary Library

Mr ALBANESE (3.42 p.m.)—Mr Speaker, I refer to the ongoing issue of the filtering of requests for information from the Parliamentary Library to the office of the Minister for Community Services. Could you please ascertain from the Parliamentary Library how many requests for information during the year 1999-2000 have been made to each of the following departments: (a) Department of Health and Aged Care; (b) Department of Education, Training and Youth Affairs; (c) Foreign Affairs; (d) the Australian Taxation Office; and, (e), Centrelink and would you report those figures back to the parliament, please?

Mr SPEAKER—I will follow up the matter raised by the member for Grayndler. I am not aware of any inconsistency in the present arrangements that exist between members and the Parliamentary Library, but I will follow that up.

Questions on Notice

Mr DANBY (3.43 p.m.)—Mr Speaker, under section 150 of the standing orders, would you write to the Treasurer and ask him if he would answer my question No. 1633 on the Notice Paper of 19 June and also to the Minister representing the Minister for Justice and Customs to get her answer to question No. 1648 on the Notice Paper of 20 June?

Mr SPEAKER—I will follow up the matter raised by the member for Melbourne Ports.

Press Gallery: Eviction

Mr EDWARDS (3.43 p.m.)—Mr Speaker, I wonder whether you might be able to ascertain whether a journalist or photographer was evicted during the course of question time and whether you might report to the House the reason that that action took place.

Mr SPEAKER—if the answer I am about to give is in any sense inaccurate, I will report back to the House. My understanding, after a member raised with me concerns about photography from the press gallery, is that the Serjeant-at-Arms took action as is appropriate because, as all members are
aware, those who photograph the parliament—I think there are five each day—do it by permission from the Serjeant-at-Arms. This was the case of an intern who was working with one of the members of the House and who had, I suspect inadvertently, chosen to take photographs and, for that matter, had been asked to leave the gallery. If I am in any way inaccurate I will report back to the House.

AUDITOR-GENERAL’S REPORTS

Reports Nos 5 to 7 of 2000-01

Mr SPEAKER—I present the Auditor-General’s audit report Nos 5 to 7 of 2000-01 entitled: No. 5—Fraud control arrangements in the Department of Industry, Science and Resources—Department of Industry, Science and Resources; No. 6—Fraud control arrangements in the Department of Health and Aged Care—Department of Health and Aged Care, and No. 7—ATO’s use of AUSTRAC data—Australian Taxation Office.

Ordered that the reports be printed.

Mr Adams—Mr Speaker, it is pretty hard for us to hear what the Leader of the House has said.

Mr SPEAKER—if the member for Lyons has a particular concern about audio levels in the chamber, he might like to take it up with the Serjeant-at-Arms or with me.

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

Research and Development: Policy

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

The failure of the government to address the crisis arising from our declining national R & D effort and to take Australia forward as a knowledge nation.

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

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

Mr MARTYN EVANS (Bonython) (3.47 p.m.)—At the turn of the millennium, as the world is in transition from an industrial economy to an information economy, this government is wilfully and recklessly negligent in its lack of commitment to and understanding of the science and R&D issue. From its very first days in office, the Howard government mounted a relentless attack on our R&D capacity, with cuts to R&D expenditure for the public sector agencies, a reduction in the major R&D tax concession from 150 per cent to 125 per cent, the abolition of syndication, and making the position of chief scientist part time. If anything reflects a strong message to the private sector and to the community about the lack of commitment which this government had to science and technology in its early days, it is the message that it made the chief scientist of Australia a part-time position. What stronger message could it send?

It went on to cut the expenditure on infrastructure and universities and to ensure that those who had the temerity to undertake a science education in this country were required to pay far more in HECS fees for the privilege. It increased the HECS fees for science, sending a very strong message to students that they should not study science or, if they did, they had better be prepared to pay for the privilege. Its negligence amounts to nothing less than an attack on our capacity as a knowledge nation.

This government has, in recent days—in fact, through most of its time in office—been entirely obsessed with taxation. It has been obsessed with taxation at a time when it clearly should have been focusing far more, if not all, of its attention on promoting Australia as a knowledge nation in order to advance our capacity for innovation and to ensure that the young people of this country are properly trained in science and technological development.

In his speeches about the GST and taxation, the Treasurer is fond of comparing this country with Botswana and Swaziland. The relevance of that is all too frighteningly ap-
parent when we look at the way this country’s expenditure on R&D is taking us further and further down the league table of countries in the OECD in relation to science and technology expenditure. This government has seen our position as a science and technology leader slowly deteriorate, year after year. Why is that so important? Because studies in the United States and elsewhere have shown very clearly that up to 50 per cent of wealth and job creation in developed countries is due to expenditure on science and technology, to innovation, to research and development, and to the educational standards of young people being relevant to science and technology. Fifty per cent of the economic development of those countries can clearly be attributed to their expenditure on R&D and their commitment to science and technology. And yet this government moves further and further away from any serious commitment.

The recent report of the chief scientist, *The Chance to Change*, shows clearly that innovation is the only way forward. He states:

Innovation is the driver of every modern economy—it is the key to competitiveness, employment growth and social well-being.

The cycle of innovation must be fed by new ideas and basic knowledge, and be capable of being transferred and accepted by end-users.

That makes it clear that we must spend our national resources on advancing the science and technology capability of our universities and of our industries.

Recent figures from the ABS, which came out only yesterday, show that the gross expenditure on R&D in this country is now back to the levels of the early 1990s. The gross expenditure on research and development as a percentage of GDP has levelled off from 1998-99 and is now at 1.49 per cent, after steadily increasing during the two decades of Labor and before, to a peak of 1.67 per cent in 1996-97.

Under this government it has been falling consistently at a time when countries like Japan, the United States, Canada, Finland and most of the countries of Western Europe have been steadily increasing their commitment to R&D as a percentage of GDP. A few figures are instructive. Japan, for example, in the period when our commitment fell, has increased its commitment to R&D as a percentage of GDP from 2.8 per cent to 3.06 per cent in the same comparable period. The United States has gone from 2.6 per cent to 2.7 per cent. Canada, a country with which we are directly comparable—they, like us, originally had an economy which was founded heavily on resource development—also increased their expenditure as a percentage of GDP during the period for which figures are most recently available. Indeed, in their most recent budgets, which have occurred subsequent to those figures being compiled, they have demonstrated an even stronger commitment to R&D, with massive increases in their grants to industrial research and development, to medical research and to the universities. Australia, of course, has unfortunately—as the Leader of the Opposition indicated during question time—now achieved the distinction of the worst outcome of the 17 OECD countries that were measured in a recent survey. This country is going backwards in the area of R&D under this government.

The Prime Minister, in his response to the Leader of the Opposition’s question, indicated a degree of surprise at those figures and said that he wanted to spend some time with his government considering just what might be the reasons for that decline in R&D expenditure. If you look at the figures on the graph of year-on-year expenditure, you see a very strange and remarkable coincidence, one which the Prime Minister should examine a lot more closely. The fact that he has not done so in the first five years of his term of office is something of an indictment of him. The graph clearly shows a rising level of expenditure until the year his government came to office and, after that, it shows a remarkable year-on-year fall in expenditure. I do not know whether the Prime Minister thinks that it is just a coincidence that the graph was rising until he took office and falling from the day he started. It could be attributable to those measures which I indicated earlier: the slashing of the R&D tax concession, the abolition of syndication, the very strong message to the business community that he does not regard R&D expendi-
ture as being that important. It could be some of those reasons. I do not think the Prime Minister need look much further than his own policy manual and his cabinet records to find the reason he seeks for the declining R&D expenditure. The Prime Minister at the innovation summit asked us to judge his government on its record in the area of innovation in science and technology. Both the Australian Bureau of Statistics and the OECD have carefully catalogued the record of this government, and it is an appalling and shameful record. It is one on which the Prime Minister, at his own request, will stand condemned by the community.

Innovation is critical to our economic growth and our progress as a nation. If we want the kinds of high skilled, high wage jobs of the knowledge economy for the next generation of young people in the new century, we have to get a lot more serious about innovation. The chief scientist’s report underlines very clearly the strong link between innovation, companies and growth. Those companies that are innovative and invest in R&D are the companies throughout the world that are subject to growth and are able to improve their employment and to offer their workers skilled and well paid jobs. In the past, it was capital, labour and materials that were the determinants of economic success. But, in the knowledge era, the knowledge of individual members of our workforce and the educational skills of our young people are the assets in which we must invest most strongly. They are the assets which will deliver the growth outcome that this country requires in the next century if we are to remain competitive. All of those countries with which we would traditionally compare ourselves—even those countries that have a strong resource base, like Finland and Canada—have achieved very substantial growth because of their strong commitment to R&D. Even a small country like Finland, which certainly has much to commend it because their investment in R&D has been very strong, is now at a level of 3.1 per cent of GDP compared to Australia at 1.49 per cent and declining, and Finland shows the benefit of that investment in R&D.

Thirty years ago, knowledge doubled every 14 years; now it doubles every seven, and the rate of change and growth of knowledge is increasing at an ever faster pace. This runs the risk of leaving members of the community behind. Any community that does not invest in education, research and development and technology will certainly be left behind in the knowledge economy. It is not only the case, though, that private sector investment in R&D has, as the ABS so clearly demonstrated, been falling quite dramatically; the government’s public sector commitment has also been declining. This country used to have a very proud record of public sector investment in R&D. Indeed, Australians have always been—justifiably so—very proud of the CSIRO and the other public sector science agencies, such as the Australian Institute of Marine Science in Townsville, which the Leader of the Opposition and I recently visited. But, at a time when the Australian Taxation Office is gaining an extra 3,000 plus staff in this year’s budget, the CSIRO is to lose 133 staff. If ever the budget papers revealed a misallocation of resources it is in that area, so starkly shown by the increase in staff in the Australian Taxation Office—from a government obsessed by taxation—and a decline in the staffing of organisations like the CSIRO.

The Prime Minister and the Minister for Industry, Science and Resources have in their observations on these declining R&D figures pointed to the decline in R&D commitment by the mining industry, and they indicated that perhaps this is due to a decline in commodity prices. Of course, they are under threat because of the decline in commodity prices. But how does this government respond to a decline in R&D commitment by the mining sector with its own commitment through the Australian Geological Survey Organisation? Does it increase expenditure for AGSO at a time when you might think it might want to be countercyclical to the industry and provide for additional pre-competitive research? No, the government cut expenditure for AGSO. It reduced AGSO’s staffing by something like 25 per cent at a time when the mining sector is suffering hardship because of those declines in
commodity prices. So, although the government could clearly make a strong commitment to public sector R&D and ensure that pre-competitive research is freely available to the industry, it responds as it has in the case of CSIRO and as it has in the case of the universities; by further cutting its commitment to public sector R&D.

The evidence clearly is that public sector commitment has a rate of return of something between 125 per cent and 270 per cent per annum. So when the government invests a dollar in public sector pre-competitive R&D it guarantees to the community a return of nearly $3 for that $1 invested. That rate of return is very critical because the private sector is always reluctant to commit in an area which has gains that are spread so much through the community. The private sector will always demonstrate market failure in the area of R&D because there are short-term costs and long-term benefits, there is high risk and there is a strong element of social return. It is very difficult to capture for the individual firm the sole benefits of private sector and, indeed, public sector R&D. When countries like the United States have, since 1993, increased their public sector commitment by 45 per cent, and when the United Kingdom and Canada have done the same, Australia is mounting a dignified retreat from its higher levels of R&D expenditure and is causing organisations like CSIRO to suffer the death of a thousand cuts, dollar by dollar, staff member by staff member, scientist by scientist. Our public sector commitment has been reduced. Even today the government is forcing CSIRO to endure IT outsourcing.

The recent chief scientist report indicates that, as we move into the 21st century, we must be a nation committed to innovation, we must be a nation committed to investing in a vibrant R&D sector and we must be a nation committed to developing a highly skilled work force which is able to address the needs of the knowledge economy. The failure of this government to provide the leadership necessary to steer us in this direction in an information age is a condemnation of their public policy attitude. The price will be very high indeed, and it will be paid by the next generation of Australians.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (4.02 p.m.)—It is good to have a debate like this. It is a crucial issue to the social and economic welfare of Australia in the near term and in the long term. But I cannot help noticing that there have been no questions and no similar debates over the two years of this second term of the Howard government. It is suddenly brought before the House, with only one question asked in question time earlier today. You do have to question, even doubt, the sincerity of the shadow minister and the opposition at large in putting this matter down. It reeks of opportunism, given the latest figures on investment in research and development in Australia. If they were really concerned about the issue, we would have had a number of debates or questions or pursuits in this House.

Mr Martyn Evans interjecting—

Mr McGauran—The figures came out yesterday, but why hasn’t the opposition been preparing the House for a debate of this seriousness, this magnitude? It has neglected this crucial policy area in research and development, science and technology, innovation and information technology, as it has in all other areas. The shadow minister’s contribution to the House just now was superficial, even glib. He has given a speech that I have heard countless times before by undergraduates almost—not in this House but by people who have but the barest notion or understanding of science and technology. It is all just a giant whinge of the most generalised kind. He does not proffer any real analysis of private sector, let alone public sector, investment in R&D. It is just a series of complaints which do not even stand up to close examination, let alone any policy alternative minus any possibility of costings.

He starts off by saying that in the 1996 budget, which had to deal with Labor’s $10 billion deficit inheritance—that is what we had to deal with on coming to government, which Labor had covered up and on which Labor had totally misled the Australian people during the election campaign; we had to make good that deficit—there were reduc-
tions in government expenditure. But I can say with authority, because I was Minister for Science and Technology at the time, that that portfolio was spared almost like no other. We did not see the cuts to public agencies that he spoke about. What agencies were cut? CSIRO received an extra $20 million per year funding for each of three years, for instance. He spoke of the part-time chief scientist. That was a deliberate policy initiative because we wanted to get a working scientist from the private sector, and it was Professor John Stocker who brought great distinction and credit to that position. Nobody would say he was anything less than a very true and faithful advocate and champion on behalf of science and technology. Now we have Dr Robin Batterham, who is also from the private sector. That is why the position was not filled by an academic or a retired scientist or a public servant from the science areas as was previously the case. There is no criticism there.

The shadow minister spoke of HECS for science students. Of course, the prediction in 1996 by the honourable member and others of the opposition was that there would be an absence of science students because of HECS, that we would see a drying up of science applications. That has not happened. They were predicting that we would have no science students to all intents and purposes. In any event, is the honourable member committing to relieve the HECS of science students ahead of students for education or for the arts who also do not always have a guaranteed career path like a doctor or a law graduate? Let’s be blunt about this: is this a commitment by the opposition to exempt or relieve science students from HECS? He spoke about the 150 per cent tax incentive reduced to 125 per cent—a direct result of Labor’s deficit. Again, is he committing to increase the tax concession back to 150 per cent? You cannot complain and whinge and criticise government decisions unless you are prepared to repair them if you think it makes good policy. The reason the Labor Party will not do that is that those decisions were sensible and necessary, even improvements and reforms at the time.

The Labor Party’s criticisms ring hollow; they do not have credibility. When I was in opposition, and I was there for 13 years, there was always a credo: ‘Don’t stand up and attack the government if you do not have clean hands, if you are not prepared to make good the criticism you are making; otherwise you are just an opportunist and a political point scorer.’

For some reason that I still cannot fathom, even on further reflection, the honourable member made a criticism of the Treasurer for his preoccupation with taxation. The basic law of business investment and R&D is that it is funded out of profit. Every company you go to—mid size or large size—funds R&D out of profits. You must make a profit, so the lower the company tax rate the greater the amount of funds available to invest in high risk research and development or to provide that patient capital that is necessary. Consequently, our tax reforms are crucial. We have reduced company taxation to 34 cents in the dollar and in 12 months time that will go to 30 cents in the dollar. That is an extraordinarily low taxation rate for OECD countries, and that will provide a great incentive to companies to invest in R&D. We have reformed capital gains tax. We are proud we are preoccupied with taxation, in this area especially, because in IT and in telecommunications this was the catchcry of the last three years: ‘There is a lack of investment because capital gains tax is too high and strips away any profit incentive.’ We have dramatically reformed capital gains tax.

I do want to address the matters of substance regarding this issue of private and public sector investment in R&D, but I cannot do so before despatching the opposition’s contribution. If they are not willing to properly analyse the issues but instead indulge in exaggeration, hype and overstatement of their case, we will get nowhere because the decreases in business expenditure and R&D and gross expenditure and R&D are of concern to the government. We do not doubt that. Senator Minchin, the Minister for Industry, Science and Resources, issued a statement yesterday on the release of the Australian Bureau of Statistics figures acknowledging that the downward trend was a
concern for him, but he ruled out the simplistic and misleading explanations attached to it by the Labor Party. Having anticipated this issue, several months ago the government set up the National Science and Innovation Summit which was a very powerful way of moving forward on the issue, of galvanising the private sector in partnership with public sector agencies and bodies to examine how government and business support for R&D can be expanded, encouraged, made more effective and give greater returns to taxpayers. The implementation group which arose out of the innovation summit has been closely examining all these issues under the leadership of chief scientist Dr Robin Batterham. That important input will be put to the next meeting on 30 August of the Prime Minister’s Science, Engineering and Innovation Council. So the government has these matters in hand. We acknowledge the problem. We reject Labor’s scaremongering on the issue.

Mr Martin Ferguson—You are going to the football or the National Library? What are you doing on Saturday?

Mr McGauran—The honourable member is interjecting. I will be home in my electorate on grand final day. Are you going to the grand final in Melbourne?

Mr Deputy Speaker (Mr Nehl)—Order! The minister will address his remarks through the chair and ignore the member for Batman.

Mr McGauran—The hypocrisy of the Labor Party on all issues, let alone one regarding corporate hospitality on grand final day, is mind-boggling. I will be in my electorate in Gippsland on Saturday, on grand final day, so your interjection is typically inaccurate. Mr Deputy Speaker, I should continue, but in actual fact the honourable member is a good contributor to the council of the National Library. He is giving up his grand final day to attend that council meeting. I am very impressed. I think credit where credit is due.

Mr Deputy Speaker—That is very kind of the minister, but the chair is not impressed and would prefer that you stick to the subject of the discussion.
The fall in business expenditure in research and development is also a problem for the business community. No matter how many times we tell them that an investment in R&D is an investment in profitability for a company, it does not always fall on receptive ears. Too often, it falls on deaf ears. Businesses also have to realise it is in their self-interest to invest in R&D, to provide a competitive edge, not just against domestic competitors but even against international competitors as the economy is much more global.

To maintain the growth dividend from research and development, our effort is expanding, because there is a clear market failure which the government is going to fill. We do not doubt for a moment that business expenditure in research and development is disappointing—and worrying to a large extent, though not to the point the opposition, with their hollow rhetoric and empty claims, would have us believe. They have no policy, they have no solution and they will not cost a single promise they make. They feel free to make any criticism, believing it is without consequence. But the shadow ministers assembled today should know that we are keeping a tally of their promises. Every time you make a criticism with an implied correction of the fault you are alleging, it is not going without notice. We are putting dollar amounts on it and, in the same way as, during the national conference in Hobart, you blithely, recklessly and irresponsibly produced these empty pieces of paper—brief, thankfully, easier to read—

Mr Martin Ferguson—Your caucus approved a billion dollars of road funding last night. Is that right?

Mr DEPUTY SPEAKER—Order! The minister has the call.

Mr McGAURAN—Mr Deputy Speaker, I do need some protection from the aggression.

Mr DEPUTY SPEAKER—The member for Batman should zip his lip.

Mr McGAURAN—Thank you, Mr Deputy Speaker. Drawing to a conclusion, I want to say that this is an attack by the opposition that has fallen very flat. The opposition has no credibility; it has done nothing over two years to pursue these issues. The government, instead, has used the two years to tackle the problem of business expenditure on research and development. (Time expired)

Mr JENKINS (Scullin) (4.17 p.m.)—From the outset, the Minister for the Arts and the Centenary of Federation doubted the sincerity of the opposition in putting this matter of public importance forward. He can be assured that this subject will be a matter that the opposition will return to from now until the election. We have been in the forefront of putting to the Australian public the fact that we will be looking towards putting in place policies that look to Australia truly being looked at as a knowledge nation.

Australia has a proud tradition in science. In fact, the very first Australian of the Year, in 1960, was not a sporting hero but a Nobel laureate in medicine, Sir Frank Macfarlane Burnet. Along with Macfarlane Burnet, a number of other famous scientists have also been acknowledged as Australian of the Year. We had Sir John Eccles in 1963, another Nobel laureate in medicine; Sir John Cornforth in 1975, a Nobel laureate in chemistry; and, of course, in 1997, Professor Peter Doherty, our latest Nobel laureate in science. The current Australian of the Year is Sir Gustav Nossal, a very distinguished scientist in the field of immunology. Howard Florey was honoured in 1945 for his work in the discovery of penicillin. As I said, Australian Peter Doherty was awarded a Nobel prize in 1996. It is a fine tradition that is under enormous attack by the actions, and in some cases inaction, of the Howard government.

The minister decried the reason for this matter of public importance, but the week before last the chief scientist, whose position the Howard government is obviously so committed to that it has been downgraded from a full-time job to a part-time job, released the report The chance to change. The chief scientist’s report is a chronicle of the damage done to science, innovation and research and development in this country. It is coupled with the release yesterday of the figures by the ABS that show that, for research and development, gross expenditure as a percentage of GDP fell to 1.49 per cent
in 1998-99. They stand as sad indictments of this government’s policy failure.

As well as investing in science, innovation and research and development, the most successful nations in the new economy will be the ones that utilise and invest in human capital, in the minds and intellects of their people, through education and training. Here the Howard government has again failed abysmally. Under this government Australia is now the only nation in the OECD which is actually going backwards in investing in education, training and research. In the United States, Al Gore, candidate for the presidency, is indicating that he would increase education spending by 50 per cent by the year 2010. We have had recent decisions of the Singapore government to increase education spending by 20 per cent. The chief scientist’s report found, alarmingly, that there were now fewer children interested in studying science and mathematics in schools and that fixing this problem is vital to creating a culture of science awareness. The chief scientist said:

One element of arresting the decline in enrolments is to increase the skills and job satisfaction of the teachers with these highly valuable, knowledge-based skills.

The Federation of Australian Scientific and Technological Societies, FASTS, has produced a list of what it sees as the top 10 issues for the year 2000. One of those issues is removing the inequity that sees science and maths teachers take home less pay because of the enormous HECS debts inflicted on them by the Howard government. Simply put, they get the same salary as any other teacher but, because of the way HECS has been structured, against science subjects, they have a higher HECS burden. The minister dismisses this as a suggestion that has some merit, but with the lack of leadership being shown by this government it is these types of proposals that we really have to put on the record and have serious discussion about. Remember that this is an idea that has been promoted by the chief scientist.

Another of the issues FASTS has highlighted for the year 2000 is preventing Australia losing a generation of scientists and technologists to jobs overseas and to other professions because of job insecurity, low salaries and lack of career paths. Instead of taking this as a serious problem, the Minister for Industry, Science and Resources, Senator Minchin, the prime person with control of any decisions that are made in the science field, has been saying that there is not a brain drain. He has in some way analysed migration figures to show that there is in fact an increase in the number of people with science qualifications as a result of migration. This is a very flim-flam observation about the real situation. One would ask the good senator: why is it that a person like David Wiltshire of the University of Adelaide said in a letter to the Australian late last year:

Let us please have statistics about the number of scientists employed in research, and especially in the period since 1996 because it is only in the last three years that the situation has truly gone ballistic.

In a follow-up letter, John Prescott from the Department of Physics and Mathematical Physics at the University of Adelaide used evidence which he describes as follows:

This is not anecdotal evidence—these are real advertisements for which real people are being sought. They come from my personal surveys on behalf of the Australian Institute of Physics, and they appear regularly in the publications of the Institute.

This data showed that the level of job advertisements for physicists has been on the decline for quite some time.

In a feature article in the Australian late last year there was a picture of the Harvard University’s Boston Demons. The Boston Demons is an Australian Rules Football team. I do not know whether it is any indication of what might happen on Saturday, although I doubt it, but they have chosen to wear the blue and red of Melbourne. This photo showed 21 of Australia’s finest minds included in the team—eight PhD scientists with faculty appointments, eight computer industry specialists and five investment finance executives. The point of the story was that all these people had to go offshore to the United States to find these positions. This is the type of phenomenon that the government seems to ignore and not to have any comments about as to how we might redress it.
Deirdre Macken, in the article alongside this photo, said:
Globalisation is prompting skilled labour to behave like capital, flowing across the world to centres that offer the best returns and the best future.
She went on to say that it was not only because of salary structures but also because morale was down because of the lack of funding and people were concerned about where they could see their careers going. The chief scientist has indicated that there should be schemes like fellowships and stipends to enable Australian scientists working overseas to return home to undertake research activities in Australia. This is a proposal that FASTS has been championing. One such model is the Alexander von Humboldt Foundation in Germany, which enables highly qualified scholars to carry out long-term research projects in Germany.

In the policy vacuum created by the Howard government, it is organisations like FASTS that are showing the way forward. With the opposition’s commitment to Australia as a knowledge nation and initiatives like Labor’s education priority zones, the government is being shown up for fiddling while Australia burns or perhaps fiddling while Australia salinates—or other things that we should be looking at. The Howard government is not merely presiding over the decline of Australia as a knowledge based society and economy. With examples such as its cuts to the R&D tax concessions, its downgrading of the office of the chief scientist itself to a part-time position, its cuts to CSIRO and its reduction in cooperative research centre funding of some 8.4 per cent, it is actively pursuing policies that flow on to do the damage. The chief scientist titled his report *The chance to change*. It is time to take that chance and not squander it. Unfortunately, the Howard government has demonstrated consistently since 1996 that it is not capable of ensuring that Australia’s science, engineering and technology base can meet the needs of Australians into the 21st century.

Mr **BARTLETT** (Macquarie) (4.27 p.m.)—We would all agree on the importance of supporting research and development spending—that is, genuine research and development spending. All we have had from the two speakers opposite is the same old line: empty cliches combined with some sort of vague urgings that we ought to be spending more money and hoping that that will do the job—the favoured combination of those opposite but not very productive. Let us look at Labor’s strategy on research and development in office—the same strategy that they applied to almost every policy area. That was a scattergun approach with no real accountability: throw money at it, hope the money will do the job but never really target it effectively. Throw taxpayers’ money around; do not care how effective it is; do not bother effectively targeting; do not monitor how well those programs are working; do not care about the extent of abuse of taxpayers’ funds; do not worry about the effect on government debt; do not worry about the effect on interest rates—just throw money at it and hope that will work! That is exactly what we had with Labor’s approach to so-called research and development while they were in office.

Questions need to be asked about the approach they adopted and about the approach they would adopt again if ever they had a chance—questions such as: under Labor, how much of that research and development money was in fact genuine research and development money? How effective was that taxpayers’ money that they spent? How much did it cost Australian taxpayers for some of what were really just tax syndication rorts? What impact did that spending have on the level of government debt? What impact did that spending have on the level of interest rates? It is worth reminding ourselves that under Labor’s program of R&D spending, $1.8 billion of taxpayers’ money was spent to date on those R&D syndicates, yet so far only $400 million worth of sales have been generated out of that $1.8 billion. That is less than one per cent of the $70 billion forecast by those syndicates who were very generously, very irresponsibly funded by Labor with taxpayers’ money. Lots of money but few results. It is typical of what we see on the other side: ‘Throw the money at it. Don’t worry about the outcomes. Don’t worry about the results. Just ask the taxpaying pub-
lic. Trust us. We’ll be right. We’ll spend your money. Don’t worry where it goes.’

Labor promised us a clever country. All they gave us was a bankrupt country. They now promise us a knowledge nation. If they have their way, it will be the same—a bankrupt nation. They are great on slogans, but poor on outcomes. They are great on rhetoric, but hopeless on results. The decline in business research and development expenditure does need to be reversed. No-one would deny that. However, the reduction of the concessional tax rate from 150 per cent to 125 per cent in recent years would have done nothing to reduce real or genuine research and development expenditure. It may well have and no doubt has substantially reduced the rorting that went on with some of the tax syndicates but would have had little impact on genuine, bona fide, productive research, productive innovation and real investment.

The coalition’s approach has been to create a positive environment that is conducive to successful innovation, positive research, and investment that will produce increased productivity, increased employment and increased growth for this country. That is exactly what we have seen, in conjunction with some very effective and accurately targeted spending programs which will achieve the tangible outcomes that we want. Look at what we have done in creating this general pro-investment, pro-innovation environment in Australia.

Firstly, we have an environment of low interest rates. Look at the contrast. Interest rates in Australia are now at historically low levels; that is, the cost of borrowing funds for research, development, investment and business expansion and growth are far lower than they were at any time under Labor. Small business interest rates have come down in the last four years from 11.25 per cent to 8.9 per cent. Large business interest rates are down from 10.75 per cent to around 9.35 per cent. Compare this with the business interest rates that reached 23 per cent under Labor, which bankrupted many businesses, dried up business investment, dried up research and development spending and simply generated rising unemployment.

Secondly, by July next year, company tax rates will have fallen under this government from 36 per cent to 30 per cent, putting an extra six cents in the dollar back into the hands of Australian business to invest in research and development—a pro-investment, pro-research environment that this government is generating. Add to that the reductions in capital gains tax for individuals and reductions in capital gains tax on venture capital investments for overseas pension funds and for Australian superannuation funds and we see an environment that will increase the pool of venture capital available for commercialising research and development in this country.

Thirdly, we have an environment of strong economic growth. For three years in a row we have had growth rates of over four per cent per annum—an ideal environment for investment in technology, research, development and gross fixed capital expenditure. Fourthly, we have improved labour market policies resulting in substantially increased productivity. Over the 13 years of Labor, we had productivity growth rates of a miserable 1.8 per cent a year. In just four years under this government, those growth rates in productivity have risen from 1.8 per cent a year to 2.8 per cent a year—an environment which encourages business investment and delivers positive growth in this country and an environment which lowers, per unit, labour costs, therefore lowering production costs and increasing the incentive to invest.

We have put in place the right environment for investment. Add to that a range of specific, accurately targeted policies to encourage research and development. For instance, the research and development START program is a competitive merit based program of grants and loans to assist new ventures with an increase of $338 million over the next four years. It is expected under this program that new grants and loans totalling $175 million will be made this year alone. Government spending on R&D tax concessions are down from 150 per cent, removing tax avoidance syndicates, but genuine R&D tax concession schemes will rise by $68 million this year to $553 million.
There are many other programs. We have strengthened the venture capital market for start-up companies through the Innovation Investment Fund and through the Commercialisation of Emerging Technologies program. Investment in start-up programs rose by 148 per cent to $236 million last year alone. Total venture capital investment in Australia has almost doubled since last year to a record of $971 million. This government’s innovation policy focuses on building innovations systems in Australia that maintain the high quality of our R&D programs and build stronger links with Australian business. The National Science and Innovation Summit, held earlier this year, brought together all arms of our innovation system to investigate and agree on a strategy to improve our national innovation performance. The innovation action plan that will result will identify and address future science innovation priorities for Australia and these will be in place by the end of the year.

A range of other programs could be mentioned. The Invest Australia program is utilising incentives to attract strategic investment, that is, investment which will increase Australia’s R&D capability. Australia’s national biotechnology strategy will address a range of issues important to the biotechnology industry—leading edge technology, including support for R&D and the commercialisation of this R&D. There will be a $31 million increase over the next four years, on top of $250 million already there. The Pharmaceutical Industry Investment Program is a five-year, $292 million program of investment support for the important pharmaceutical industry. In all, total government support for industrial research and development for the business sector will rise to $850 million this year—a real increase of two per cent over last year.

The coalition’s performance in this area, both in building a positive investment environment and in specifically targeted workable programs, needs to be contrasted with the lack of policy on the other side. We have a right to ask what are Labor’s policies and, more importantly, what are Labor’s affordable policies? What can they deliver that will not raise taxes? We have a right to ask how much their vague ramblings will mean for increased income taxes. What will it do to increase company tax rates? What will it do to increase capital gains tax rates? What will it do to government debt? What will it do in terms of rising interest rates? The opposition on the other side have great rhetoric, but no policies that are affordable for this country. (Time expired)

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

MAIN COMMITTEE

Mr DEPUTY SPEAKER (Mr Jenkins)—I advise the House that the Deputy Speaker has fixed Wednesday, 30 August 2000, at 9.40 a.m., as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

MATTERS REFERRED TO MAIN COMMITTEE

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

That the following order of the day, committee and delegation reports, be referred to the Main Committee for debate:

Employment, Education and Workplace Relations—Standing Committee—Report—Age Counts: Issues specific to mature age workers—Motion to take note of paper: Resumption of debate.

COMMITTEES

Selection Committee

Report

Mr NEHL (Cowper)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members’ business on Monday, 4 September 2000. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

Report relating to the consideration of committee and delegation reports and private Members’ business on Monday, 4 September 2000

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 4 September
Tuesday, 29 August 2000

2000. The order of precedence and the allotments of time determined by the Committee are shown in the list.

**COMMITTEE AND DELEGATION REPORTS**

Presentation and statements

1 FOREIGN AFFAIRS, DEFENCE AND TRADE  
—JOINT STANDING COMMITTEE: The Measure of an Army: An inquiry into the suitability of the Australian Army for peacetime, peacekeeping and war.

*The Committee determined that all statements on the report be made* — all statements to be concluded by 12.50 p.m.

**Speech time limits —**

Each Member — 5 minutes.

[Proposed Members speaking = 4 x 5 mins]

2 FOREIGN AFFAIRS, DEFENCE AND TRADE  
—JOINT STANDING COMMITTEE: Report on Australia’s Trade with South America.

*The Committee determined that all statements on the report be made* — all statements to be concluded by 1.00 p.m.

**Speech time limits —**

Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

3 AUSTRALIAN SECURITY INTELLIGENCE ORGANISATION — JOINT COMMITTEE: A Watching Brief: The nature, scope and appropriateness of ASIO’s public reporting activities.

*The Committee determined that all statements on the report be made* — all statements to be concluded by 1.20 p.m.

**Speech time limits —**

Each Member — 5 minutes.

[Proposed Members speaking = 4 x 5 mins]


*The Committee determined that all statements on the report be made* — all statements to be concluded by 1.30 p.m.

**Speech time limits —**

Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]

**PRIVATE MEMBERS’ BUSINESS**

**Order of precedence**

**Notices**

1 Mr Albanese to present a bill for an act to establish an Aviation Noise Ombudsman, and for related purposes. *(Aviation Noise Ombudsman Bill 2000 — Notice given 15 August 2000)*

*Presenter may speak for a period not exceeding 15 minutes — pursuant to sessional order 104A.*

2 Mr Lawler to move—

That the House:

1 notes the crucial importance of water to the ongoing growth of the Australian economy and to the environment of rivers and wetlands;

2 acknowledges the many initiatives implemented over the past decade to achieve more efficient use of water;

3 commends the Government for the directions created by the Natural Heritage Trust National Rivercare Program initiatives, particularly in regard to the Murray Darling Basin and the upper reaches of the Snowy River;

4 calls for all future water allocations to be used for environmental purposes to be only taken from savings from the NSW and Victorian distribution system and only after satisfying a test of the national interest; and

5 calls for proper financial compensation to be awarded to those who have their right to water taken away. *(Notice given 13 April 2000)*

**Time allotted — 30 minutes.**

**Speech time limits —**

Mover of motion — 10 minutes.

First Opposition Member speaking — 10 minutes.

Other Members — 5 minutes each.

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

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

3 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
calls on the Government to urgently focus more resources in implementing a national approach to the prevention, repair, intervention and research into child abuse. (Notice given 1 June 2000)

Time allotted — remaining private Members’ business time.

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

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

BILLS RETURNED FROM THE SENATE

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

- Excise Amendment (Compliance Improvement) Bill 2000

GENE TECHNOLOGY BILL 2000

Cognate bills:

- GENE TECHNOLOGY (LICENCE CHARGES) BILL 2000
- GENE TECHNOLOGY (CONSEQUENTIAL AMENDMENTS) BILL 2000

Second Reading

Debate resumed from 28 August, on motion by Dr Wooldridge:

That the bill be now read a second time.

Mr BILLSON (Dunkley) (4.40 p.m.) — The bills that I was talking on last night, the Gene Technology Bill 2000 and cognate bills, regulate dealings with genetically modified organisms, effectively covering the life cycles of genetically modified organisms from laboratory experiments, growth, development, production and manufacture, use of GMOs, manufacture of GM products, possession, transport and the disposal of waste. Given the complexity and breadth of the issues and possible effects throughout the community which the decisions of the Gene Technology Regulator may have, the bills also establish three advisory committees: the Gene Technology Technical Advisory Committee, to advise primarily on technical aspects of applications; the Gene Technology Community Consultative Committee, to advise on matters of general concern to the public; and the Gene Technology Ethics Committee, to advise on ethical and moral issues regarding the applications before the regulator. These three committees will provide advice on request to the Gene Technology Regulator and/or the ministerial council.

The major instrument of regulation of dealings with GMOs is through a licensing system. Under the licensing system there will be four options available to the GTR when considering applications in relation to genetically modified organisms. These licensing options take account of the varying levels of risk and understanding about what the particular dealing is and the associated actions to ensure containment of the technology and not an escape into the broader environment. There is the authorised genetically modified organisms which are licensed; the notifiable low-risk dealings which after examination are deemed to be low risk but the GTR needs to be notified of their use; exempt dealings, as determined by the Gene Technology Regulator, that need not be covered by these bills; and dealings included on the genetically modified organisms register which are low risk and previously authorised by the GMO licence process for a period of years where there is an obligation to demonstrate that it is safe. The bills also provide for penalties, including a clean-up direction, when offences against the acts are proved.

There can be no doubt that gene technology is in its early but exciting days. I do not think it is too outrageous to suggest that this is the biological equivalent of the Internet. Science is only beginning to realise the possibilities which gene technology offers. In the years to come it will affect almost every person on the planet, whether they are consuming GM foods or growing them, or being healed by GM medical solutions. The fact is that GM is here to stay. Some have been calling for a moratorium on the development of the technology, others have been looking to have a moratorium on dealings in GMOs and there are those who believe that GMOs should not be released. In my view, these arguments miss the point about the broad-
ness of gene technology, the opportunities that exist there and the evolution of the science. The technology will not stop so that we can find a convenient point where we can have a comfortable, neat and relaxed setting in which we can proceed. What is needed is an integrated national system which can competently deal with the issues as they arise, as the technology evolves and as proposals come before the government.

We as a community cannot hide from the fact that genetically modified organisms are here and are here to stay. We cannot hide from the fact that along with the opportunity come great rewards and also some risks. We need to take this opportunity to develop the world’s best regulatory framework and a policy position so that these risks can be accurately and openly assessed and the benefits fully and safely realised for our community. I support the government moving forward with the new regulatory framework mindful of the fact that the Office of the Gene Technology Regulator needs to be sufficiently funded to carry out its functions effectively. The bills before us today dictate that the Gene Technology Regulator will be self-funding, effectively recovering all costs from the users of the regulatory regime. The GTR will have to extract licence fees, and it is important in my view that smaller operators who have something to contribute in this area do not find this up-front financing a barrier to their participation. We also need to be mindful of limiting investment in the genetic field through the extraction of high licence fees and an overly burdensome regulatory framework, thus making the product produced economically unviable.

I have read the supporting information and have been assured that this regulatory framework will not stand in the way of some of the biotechnological advances that the member for Macquarie was talking about. We are interested in, enchanted with and excited about some of the work going on in the area of embryonic stem cell research. The opportunity is there to take an omnipotent cell, moments into its life, and encourage and guide its development into particular tissue types and organ types. This is a fascinating and exciting area of science which provides a pathway for new medical solutions, new therapeutic applications to support a healthier community.

My concern would be that the science framework, through the NHMRC, and some of the other frameworks being discussed in the United States and the United Kingdom—where that scientific pursuit has its own regulatory framework and ethics committee overseeing the activity and the conditions on receiving government funding for further inquiries—could be hijacked by the process we are discussing today. I have been told that the definition of a genetically modified organism within the bill will not extend to include embryonic stem cell research. I am pleased to hear that, but I am not entirely convinced. The definition that is in the bill talks about some intervention or manipulation that brings about a change in the way the genetic framework operates. To my mind, those that wish to see an end to embryonic stem cell research could see this legislation as an opportunity to impede that field of endeavour. That a stimulus can turn an omnipotent embryonic stem cell into muscle tissue, nervous tissue, bone or whatever the case may be sounds to me like a modification, which some will argue fits within the bill. The saving grace in the bill is that it says a GMO is whatever the government describes as a GMO. Maybe that is an insurance policy to guard against that sort of issue.

Another area that concerns me—which is not directly part of this bill but which is closely related—is the way in which we handle the strategic opportunities of biotechnology. In my brief contribution yesterday, I talked about our ecology providing some opportunities that we are only just beginning to understand, with species of marine life, flora and fauna that occur nowhere else in the world, with insights which the indigenous community has understood for years and which we are starting to get a handle on. There are great biotechnology opportunities for this country. If we do not support the investigation into those technologies and those parts of our environment to gain insights into how we can turn those organisms to the benefit of our community, we will lose an
enormous opportunity. The member for Macquarie was briefly talking about the government’s investment in biotechnology. My fear is that we may well become the miners of biotechnology in science, as we are in the mining industry and other areas where we do not value add. We have a framework here which supports our scientists gaining insights, making inquiries and identifying creations that are very commercially viable. The risk is that, once that is done, we sell the technology overseas, its commercialisation is done elsewhere and we do not gain the full benefits of it. Some of the interrelated issues there go to questions of intellectual property and the way that in the United States you can get a patent protection without ever really proving beyond any reasonable doubt the creation you are claiming to have made. That gives people with that type of discounted patent protection 12 months to develop research which we cannot get protection to develop here. We are inviting US pension funds into our country and giving them attractive capital gains tax treatment, and it makes you wonder whether the patents laws in the United States that put us at a strategic disadvantage will come with those pension funds and leave us out of the opportunities that biotechnology presents.

Finally, let me highlight the fact that the debate on the bill in this House has been very limited. I cannot think of anybody who has actually raised strong opposition to the proposals. The Labor Party have revisited genetically modified food and mad cow disease and are hopefully looking to a Senate inquiry to find a reason to criticise what is here. Others have expressed a wariness about these reforms, claiming that they are part of some kind of Machiavellian antitrade agenda. Ideology is important, I think trade is a sensational thing for our community, but you have to think beyond the ideology and get into the specifics of the bill. Then you will find that this is a very meaningful piece of legislation.

(Prime expired)

Mr SIDEBOTTOM (Braddon) (4.49 p.m.)—The member for Dunkley opposite should realise that that is what you call a debate; there is not just one side, one argument, to a discussion—particularly one as important and as sensitive as this. The Gene Technology Bill 2000 sets out to establish a national framework for a regulatory regime for genetically modified organisms. It seeks to make rules for the research, development and release of GMOs. We have seen the emergence of gene technology around the world, and for close on two decades successive Commonwealth governments have been grappling with how best to implement legislative controls or regulations for the technology. It is one of the major health, technology and environmental issues facing Australia today. Genetic modification is nothing new, as many speakers prior to me have pointed out. But the rapid advances in the technology now demand an appropriate national response, hence the Gene Technology Bill 2000.

We all know that everything in life has its benefits and its risks, and gene technology is no exception. According to a Parliamentary Library research paper in November of last year, Australia indeed stands at the crossroads in its management of GMOs. The paper said:

Too cautious an approach may see it—

that is, Australia—

lose market opportunities and market share to competitors, if they have benefitted from the new technology. On the other hand, a too liberal interpretation may see it out of step with some of its major markets, and raise concerns about as yet unknown food safety and environmental issues.

I spent over 15 months as a member of the House of Representatives Standing Committee on Primary Industries and Regional Services inquiring into primary producers’ access to gene technology. In particular, we looked at the regulatory aspects of GMOs in agriculture. The committee produced its report Work in progress: proceed with caution in June this year. It supported the continued, safe and cautious use of gene technology and the beneficial role it can play in the future development of competitive agricultural industries. Yet, as alluded to in the report’s title, we must proceed with caution. Producers, investors, manufacturers, growers and, importantly, consumers must be satisfied by the changes that the benefits of the technology are clearly and safely evident. The
committee also acknowledged the importance of balanced research in this area.

The parliamentary inquiry, through its many public hearings, provided a valuable insight into the arguments for and against gene technology. But, above all, for me it brought home the need for the best possible regulatory system that can be put in place. Indeed, that was a major thrust of the committee’s findings. Recommendation 1 of the committee’s report states:

The committee recommends the continued use of gene technology, but only with stringent regulation, constant and cautious monitoring and public reporting.

The committee was adamant that public health and safety remains the key factor in the debate over gene technology. As far as this bill is concerned, that must be reflected in the regulatory controls and the powers of the regulator as proposed in this legislation. The process must be transparent, accountable and consultative. Again, this was a major focus of the parliamentary inquiry.

In regard to the regulator, the report recommended independence, adequate funding and public accountability. We are in an age of technological innovation. Technology is moving quickly and in many respects Australia is at the forefront of research and development and technological advances, yet we still do not really know how comfortable the wider Australian community is with gene technology in all its forms. In my home state, for example, the Tasmanian government has taken a cautious approach. It has imposed a 12-month moratorium on growing GMO crops in the open until it develops a firm policy position. I notice that similar action is anticipated in Western Australia in the Genetically Modified Material (Temporary Prohibition) Bill 1999, which has cross-party support.

Tasmania has enforced a moratorium to ensure genetically modified plants and plant products other than for use in contained research are not released into the environment. I might point out, though, that the Tasmanian government has not declared it intends to be GMO free. It wants breathing space before it makes a decision. I note only today that a joint select committee has been established to report, by 31 March next year, on GMOs and gene technology in agriculture. I notice that the state Minister for Primary Industries, Water and Environment finished his press release on the announcement by saying:

At the end of our investigations I am confident we will have enough information to reach a wise, properly advised decision rather than jumping to a simplistic position which may or may not be in the interests of the state, our industry and our community.

The Tasmanian government has also raised the prospect of opting out of federal legislation to remain GMO free. Tasmania jealously guards its internationally renowned clean and green image. It places a premium on its status as a producer of quality, uncontaminated foods. For example, it recently fought and won a battle to ban imports of raw Canadian salmon into Tasmania because of the risks it perceived to its burgeoning aquaculture industry. It takes great pride in its disease-free status and is reaping the rewards. Its disease-free status paved the way for the state to export Fuji apples to Japan, which is akin to selling ice to Eskimos. More recently, a Japanese company, Ichego, has established a huge strawberry farm near Hobart to supply its Japanese markets. Indeed, in my own electorate, the north-west coast has a reputation for producing natural and safe foods of the highest quality.

Some want Tasmania to be GMO free, others want to safely embrace the technology, and both groups support their views with gusto and valid argument. The Tasmanian government’s cautionary approach is based on a fear of contamination, an uncertainty regarding the possible detrimental effects of introducing GMOs in the Tasmanian environment and the complementary impact on its clean, green marketing image. I agree with the Food Industry Council of Tasmania, which honestly affirms that the question of whether Tasmania should refrain from or adopt gene technology is a highly complex issue. Its support for a moratorium no doubt stems from the fact that Tasmania’s natural advantages have led to the establishment of a strong marketing image based upon clean and green food production. I again refer to the parliamentary inquiry, which recommended that there continue to be a cautious
approach to approving the use of genetically modified agriculture organisms. However, this bill does not explicitly contain a ‘precautionary principle’ as does, for example, the Environment Protection and Biodiversity Conservation Act.

It is true to say Tasmania has yet to come to terms with gene technology—if indeed the rest of Australia has—and I can understand that because those involved in biotechnology cannot even agree on the science; that is, the benefits of GMOs as against the potential risks. The general public increasingly wishes to be informed about the science, and I would add that science needs to properly inform the public. There needs to be a more balanced, widespread public debate. With my Tasmanian Senate colleagues Nick Sherry and Kay Denman, I surveyed those in the Braddon electorate to get their views on genetically modified organisms. In just over one week we have received 2,000 responses to the survey. I suggest that is very important as a sample because my electorate does not have a culture of being invited to participate in surveys. The information from the responses received so far is very interesting. More than 76 per cent of the people who took part in the survey opposed genetically modified crops being grown in Tasmania; 79 per cent supported the Tasmanian government’s 12-month moratorium. Further to that, 69 per cent think there should be a total ban on GMO crops.

In regard to the labelling of genetically modified food, a whopping 98.3 per cent support the labelling of GM food products. Interestingly, 75 per cent of respondents to the survey said that they would not buy genetically modified food if it were cheaper, compared with only 12.8 per cent who said they would. On the question of whether people thought there was enough information on GMOs, a staggering 94.6 per cent said no; 82 per cent said that they did not think there had been enough public debate about growing genetically modified crops in Tasmania. I think the message from this is pretty clear. The overwhelming fact that 94.6 per cent of respondents believed they did not have enough information on GMOs must significantly affect the negative view towards GMOs. It is all right for some proponents of gene technology to say that the public is ignorant of the issue and of the science, but it is the role of government to facilitate a better understanding and certainly to guarantee that it will implement the most stringent regulatory controls possible.

It has been said that the issue of genetic engineering has been a public relations disaster, and I tend to agree. As part of its public awareness campaign, Biotechnology Australia—the federal government’s agency responsible for coordinating biotechnology issues—has had only limited success in getting its message across, despite its budget of $10 million. People are suspicious because they feel that Biotechnology Australia is too closely associated with pro-GMO players, and many believe it should be at arm’s length. Again, the parliamentary report recommended that information provided by Commonwealth agencies should:

- detail the independence, transparency and accountability of the regulatory processes;
- give equal prominence to information about the risks and benefits; and
- detail how the regulation of gene technology is able to avoid or minimise risks.

The report also recommended:

All public education campaigns funded by the Commonwealth Government recognise and address the environmental, economic, cultural, ethical and social concerns of the consumers.

I note from an article in yesterday’s Australian that the CSIRO is to conduct a new study into the long-term impact of GMOs. I read that the three-year $3 million study is one of the world’s first large scale investigations into the long-term ecological risks and potential benefits of GMOs to agricultural biodiversity. Some would argue that this is better late than never.

The potential benefits of this technology for Australian agriculture, exports and medical technology may indeed be significant; however, these benefits will not be realised until Australians know that there is a strict regulatory regime in place that ensures that public health and the environment are protected. It is also fair to say that industry needs a level of certainty in order to invest in the research and development of these tech-
The question of Tasmania opting in or out of the Gene Technology Bill 2000 is not dealt with in this legislation, despite the fact that Tasmania argues that such a provision was envisaged in the earlier public discussion paper at section 7(d). Others disagree with this interpretation of section 7(d).

The opt-out option is one of the questions being dealt with in the Labor initiated Senate Community Affairs References Committee inquiry into gene technology. The Tasmanian government argues that each state or territory should retain the right to decide whether GMOs are released. The Tasmanian government argued in its submission presented to the Senate inquiry in Hobart last week that:

…an opt-out option recognises and gives effect to the state’s right to make policy with regard to these serious issues, rather than the one-size-fits-all approach of the Commonwealth government that may force a state to accept a lesser level of protection than would be delivered nationally.

The Tasmanian government is confident that an opt-out provision does not offend against sections 92 and 99 of the Constitution, nor does it offend any WTO agreements. The IOGTR, however, disagrees and has argued that the absence of an opt-out clause does not mean that a state could not ban the use of a GMO in their jurisdiction. They could, it argued, choose to refuse the release on other grounds such as local trade considerations. The possibility of creating GMO-free zones under state legislation has also been raised.

My major concern at this stage, however, is that if Tasmania opts in, what is it opting into? That is why we must ensure this bill provides an acceptable national framework that ensures the strictest possible regulation of GMOs. The question of whether states or territories should be allowed to opt out or whether other mechanisms exist to create GMO-free zones is yet to be determined.

Other important issues relating to this bill will be further scrutinised by the Senate committee. These include whether the cost recovering and funding measures of the proposed regulator are appropriate, as well as looking at accidental contamination compensation and liability. As I have already said, one of the major objectives of the legislation is to protect the health and safety of people and to protect the environment by identifying risks posed by or as a result of gene technology and by managing those risks through regulation. I note that the Bills Digest raises specific concerns related to the adequacy of the legislation’s approach to risk assessment and management, and this will be taken up in the Senate inquiry related to this bill.

As part of this year’s budget, it was announced that the government would establish an Office of the Gene Technology Regulator. The purpose of the OGTR will be to regulate those GMOs which are not currently regulated by existing agencies. Anyone wishing to deal with one or more specified GMOs must apply to the regulator for a GMO licence and pay an application fee. As outlined in section 56, health and environmental concerns are the focus of the bill, as they were for the parliamentary committee; however, questions surround the extent to which legal liability for damage caused by GMOs is adequate. It does not deal with issues such as marketing and trade, hence the controversy over an opt-out clause, or intellectual property rights in biotechnology. Nor does the bill deal with all the health and environmental concerns. Specifically, food labelling remains the responsibility of the Australia New Zealand Foods Standards Council. I welcome the decision last month by the Australian and New Zealand health ministers to introduce a comprehensive genetically modified food labelling regime. This was at last a victory for consumers.

The issue of labelling again highlights the uncertainty or lack of confidence in genetically modified food products. Opinion polls such as my own consistently show that the vast majority of Australians support the labelling of GM food. According to a recent survey by the International Survey Project at the Australian National University, even amongst those who support GM foods 85 per cent want such food labelled. I agree with the Australian Consumers Association, which says that consumers have a right to know whether or not they are eating genetically modified foods. Whether for health, environmental or ethical reasons, it is the consumer’s right to choose whether to buy GM
foods. It sends a clear message that, unless people believe GM food is safe, they will not eat it. Clearly the starting point must be to ensure the strictest possible regulations are in place to control GMOs. The integrity of the regulator is central to the framework of the whole process.

The parliamentary committee recommended that the Office of the Gene Technology Regulator report to the parliament at least quarterly for the first three years of its existence. Yet the bill provides that the regulator must report to the minister annually. I note that it also says the regulator ‘may at any time report to the parliament’, but there is no compulsion to do so under this bill. Another concern stemming from the parliamentary inquiry is that of ensuring that sufficient funding is provided to enable the regulator to fully discharge his or her duties. After May 2001, the federal government anticipates that the regulator will recover 100 per cent of his or her costs from users of the regulatory regime—for example, through licensed charges.

In practical terms, the regulator will be required to approve a sufficient number of GMO licences to obtain the annual licence fees to continue to operate the day-to-day activities of the office. Further, and paradoxically, the regulator will only be able to obtain funds required to conduct independent scientific research into the risks posed by the GMOs by approving enough dealings with the GMOs to raise the money needed. The independence and impartiality of the regulator must not be compromised by this full cost-recovery model or by the delegatory powers of the regulator. Again, we must ensure that this bill provides a vehicle for the best regulatory regime possible, and this should involve much more redress to guarantee compliance with, and enforcement of, the bill’s provisions, particularly in relation to the adequacy of the penalties and enforcement mechanisms provided for in the bill, comprehensive independent auditing to ensure compliance with licence conditions and an ability to insist on immediate remediation of contamination. The need for the latter was highlighted after the IOGTR took more than two months merely to investigate allegations that GM canola plants were dumped in an open commercial tip at Mount Gambier, South Australia. I look forward to the report of the Senate Community Affairs Committee inquiry into the Gene Technology Bill 2000.

Mr SECKER (Barker) (5.09 p.m.)—I rise with some pleasure to speak on the Gene Technology Bill 2000, because I have taken quite a bit of interest in it in the 22 months I have been a member of parliament. I did have the pleasure of serving on the same committee as the previous speaker, the member for Braddon. The chair of the committee was the member for McEwen, who will be following me on this side. During the committee hearings we certainly did have some very interesting information and submissions to the committee. I do not think there has been a bill introduced this year that has received more media attention or public interest or more polarised discussion. There has been many a scaremongering campaign run by poorly informed media, members of the opposition and other community members, resulting in much misinformation and clouded judgment.

There are those who believe that, if this bill is passed, it will lead the way to the growth of GMOs wherever a farmer or a multinational corporation may care to scratch the earth, that it will undermine the growing organic produce industry, that it will be the death of many species of our plants and animals and that genetically modified crops will be an ineradicable blight on the landscape. Of course, this is ill-informed, emotional and unscientific. Some farmers are afraid, not without good reason, that the multinational seed companies could sell them genetically modified products without identification to that effect. We must have the regulations contained in this bill to ensure that unregulated sales of GMOs do not occur. And that is exactly what this bill does. We must have open control over the use of gene technology and there must be clear parameters in which those involved in the research, use and distribution of GMOs may operate. We must learn from our past mistakes and we must secure the best for our future.
I know that today we will undoubtedly hear arguments opposing the bill and the recommendations from those sitting opposite. We will undoubtedly be subjected to comments made by those who have failed to read and understand the bill, the uses of gene technology and GMOs in Australia today. However, those who have participated in drafting this bill, those who have bothered to read the Bills Digest and those who have cared to hear the arguments and comments from all parties in order to make an informed decision will have every confidence, as I do, that the Gene Technology Bill 2000 could not be more thoroughly researched or better prepared.

It is in Australia’s public interest, as it is in the interest of Australian industry, that the federal government immediately introduce a national regulatory framework for the use of gene technology and that this framework be the result of a carefully considered, holistic approach to a complex issue. It is high time we learned from our past mistakes, as the previous speaker mentioned. And while those lessons are still relatively fresh in our memories, now is the time to act. The mistakes I speak of are: the trial and disposal of GM canola plants at an open commercial tip in Mount Gambier; the mixing of GM cotton seeds with conventional seed in Queensland in July this year; the release of GM E. coli into a sewer; the planting of GM lupins without Institutional Biosafety Committee approval—and other incidences listed in the IOGTR submission to the GT Bill 2000. It is clear that, while GMAC has done some valuable work and Australia enjoys a good reputation worldwide for managing GMOs, GMAC is limited in its scope for regulating practices and uses. Even Aventis, one of those companies alleged to have made mistakes, claims that a lack of transparency has led to problems.

As a member of the Primary Industries and Regional Services Committee, which worked hard to prepare the interim report Work in progress: proceed with caution, and as a farmer I have a great interest in the implications of the Gene Technology Bill 2000. I have every faith that this bill is ready to be passed by both houses to form the national legislative framework Australia requires immediately to ensure the responsible and beneficial use of gene technology. I should like to remind those on the opposition benches that some of their colleagues also devoted considerable time and thought to the interim report Work in progress. Let it not be forgotten that the science of genetics has enormous benefits for humankind. With an increasing world population and decreasing arable land, it is imperative that best agricultural practice and science work together to ensure that enough food is produced to feed all of the world’s people and animals. What about the quality of life enjoyed by the many diabetics and their families thanks to insulin produced as a result of genetic modification? Of course, just about every vaccination we use these days is a result of genetic modification.

I feel it necessary to remind those opposite that there are regrettable consequences of lacking a national framework and not imposing strict regulations when given the opportunity—an opportunity which we have before us right now and which must not be wasted. If the opposition chooses to dally, it is inevitable that incidences such as the improper disposal of GM waste will occur again. While both the company in question and the interim Office of the Gene Technology Regulator have found that GM canola poses a very low risk to the environment, there are many people from Mt Gambier, in my electorate of Barker, who will be watching very closely for any impact over the next few years. This must not occur again, and especially not because of the government’s inability to enforce more concise and more exacting regulations.

This government has acted swiftly and responsibly on behalf of all Australians, and in the interests of our future, to regulate genetically modified organisms. Thirty per cent of our cotton crop is genetically modified. Is it not better to regulate than to impose a moratorium which might force cotton farmers to rip up their crops and ruin their hard work? Would that mean that we would have to compensate them? Would it also not require the destruction of GM canola crops, which are becoming more widespread?
Canola is an interesting case in point, because there is a triazine resistant canola variety already, and that variety was bred by normal means. One could suggest that super weeds might result if someone were not very well informed about how crops are grown. If that crop were genetically modified instead of traditionally grown, there would have been all sorts of outcries by some people. In actual fact, because it was bred by traditional means, there is no outcry about that triazine resistant canola.

With regard to the concern that we should follow the lead of certain European countries and impose a five-year moratorium, this bill will not prevent long-term studies of GMOs; in fact, the strict regulations will effectively ensure that companies conduct thorough investigations into the environmental and health impacts of introducing GMOs into the environment and for human consumption. It is a common myth that GMOs have been banned in Europe. In fact, there have been millions of hectares of GMO-type crops grown in Europe for the last few years.

This bill is a vast improvement on the current situation, and a moratorium would raise many a dilemma. This bill will not affect the labelling of GM products—that is not the intent of this bill. GM products and their labelling are, of course, covered by ANZFA, which is the regulatory body made up of all the states, New Zealand and the Commonwealth government, and that is the proper place to consider what should happen with the labelling of GM products. So please do not confuse that with this bill. There are bona fide concerns about the possibility of rogue genes escaping into the natural environment, to use the emotional phrase, and there has already been cause for concern. There have been scares, and this demonstrates the urgency of putting regulations in place to try to prevent future occurrences.

One of the more positive outcomes of preparing the legislation has been a significant rise in community awareness of the issue and an increase in community discussions. One can expect that a more informed community will encourage companies to exercise greater care. There have been plenty of suggestions put in this chamber, but the government should be out there doing more about informing the community. I also say that the companies involved have a very strong role to play in this, and it is in their own interests to be out there giving as much information about GMOs as they possibly can. I am old enough to recall the concerns that were brought up about the pasteurisation of milk. Of course, 30 years later, who gives a damn about pasteurised milk?

Should this bill soon be passed by both houses, as I hope it will, there will be scope for change. No piece of legislation is unchangeable. Should the CSIRO study recommend additions or changes to the legislation, they can be made, but it is far better that controls are put in place now than to have nothing and to have to start again three years down the track when many more scares may have occurred.

Under the regulations proposed by the bill, certain GMOs will be restricted to some areas, depending on the impact on the regional environment. This is a national framework that takes individual considerations into account. This bill has not been drafted without consideration of public opinion. Public forums were held throughout the country earlier this year, and in the electorate of Barker many public discussions have been held to further explore the issue. The interim report, Work in progress, included in its recommendations this quote from the Organic Federation of Australia:

Decision making must include representation from all stakeholders, whereby the needs of the consumer, government, science, environmental, health, social, ethical and industry interests are all equally met.

Therefore, if a council or shire has any concerns regarding the environmental or health aspects of a specific GM crop, both parties must present their respective arguments to the Gene Technology Regulator. The object of this bill is to ‘protect the health and safety of people, and to protect the environment.’ I know from the situation at Mount Gambier that there was no risk to the health and safety of the people.

I believe it is time to deliver this protection. This bill offers a much more efficient system than we have at present. It will see
the regulation of GMOs throughout their life cycle—from lab experiments all the way through to disposal. It provides a single responsible entity: the Gene Technology Regulator. This position will not be taken lightly. It carries huge responsibility. With that in mind, the Gene Technology Regulator will act very carefully. The ministerial council proposed in the draft legislation will ensure that the GTR acts with the advice and guidance of state and territory governments and community representatives, such as local government. It will also have the guidance of scientists and the ethics committee.

The proposed legislation will not undermine parallel laws of any state or territory government and cannot enforce a state or territory to alter state or territory law. While this may mean there is not complete nationwide compliance, there are still a national framework and national guidelines. The advantage for the state or territory is that, if they wish to have greater controls, they can. If Tasmania wishes to pursue the image of an organic producer and the income from organic produce is perceived to be lost or damaged due to the introduction of GMOs, Tasmania could conceivably protect itself. This is no disadvantage to Tasmania nor, really, to the nation as a whole. It might be difficult to introduce legislation which would override state and territory laws, and an agreement would never be reached. This is a federation—some compromise and cooperation are necessary.

It will be by no means easy to obtain a licence for the use or handling of GMOs and breaches will be punishable. Punitive measures are critical to discouraging improper conduct by individuals and corporations. This, along with better informed communities, will encourage good conduct. If a company or individual is found to be withholding any new information with regard to licences, GMOs or product, their licence can be revoked, cancelled or suspended. If they are found to be incapable of dealing adequately with risks, they will have their licence revoked. Noncompliance will be a punishable offence, with fines of up to $220,000 for an individual—enough to ruin most farmers—and over $1 million for a corporation. That, coupled with a tarnished reputation, will result in a loss of business and will be an effective enough warning for the future.

This bill allows for the inspection of premises with or without a warrant. Again, if searches are performed frequently and at random, this will act to ensure best practice and compliance. Where the GTR has any cause for concern, he or she can add conditions to the licence to allow for the monitoring or auditing of the premises. Licences and accreditation are reviewable. They are not carved in stone. They do not grant immunity or safety from the GTR. In addition to fines, common law of trespass, negligence and public or private nuisance will also apply. As time goes by, there is scope for the introduction in the legislation of compensatory measures. Time is needed to ascertain what measures must be taken for each GMO and the type of impact its release has had. The release of GMOs is still a relatively new and uncommon occurrence, so it is not yet appropriate to decide on such measures. The bill has also considered the needs of companies and individuals dealing with GMOs. There will be recourse to the Administrative Appeals Tribunal if someone is dissatisfied or aggrieved by the GTR regulation or stipulation concerning a particular GMO. Individuals and companies will be assured of a fair hearing, just as the wider community is assured of safety.

With regard to criticisms concerning the withholding of confidential commercial information, this merely protects a company from having any trade secrets or, if you like, secret recipes released. It merely assures a company the normal life expectancy of a market edge with regard to any innovative practice as approved by the GTR. The definition of confidential commercial information also encompasses financial information or any other information which could unreasonably affect that person or organisation. It does not mean that the public will be kept in the dark about the GM content of a certain product or plant. With regard to any arguments about cost recovery by the GTR, a study is being conducted by KPMG—a well renowned and respected accounting firm. That study will be into the feasibility of
funding GTR scientific research through annual licence fees, and any changes that are recommended by the study can be made. Again I argue that it is far more important to have enforceable guidelines in place than to continue as we are—as if trying to find our way in the dark.

The need for uniform Commonwealth regulation of gene technology was first recognised in 1981—nearly 20 years ago. Twenty years should be plenty of time to have learnt something. I believe that, for most of us, that lesson is the need to have greater control. Again, in 1992, it was recommended that all aspects of gene technology be regulated. I hope that the stance of all governments—federal, state, territory and local—is more mature eight years on and that this bill has addressed any cause for concern held back then. With the committee work and submissions made by companies and members of the public, we should have covered enough bases by now to make a difference. Let us make history this week. Let us not go down in history or in Hansard as another bunch of indecisive, irresponsible parliamentarians. Let us fix up the future. I commend these bills to the chamber and I give them my full support.

Mr MURPHY (Lowe) (5.28 p.m.)—The Gene Technology Bill 2000, the Gene Technology (Licence Charges) Bill 2000 and the Gene Technology (Consequential Amendments) Bill 2000 attempt to come to terms with biotechnology as it achieves what was the unthinkable only a few years ago. There was a time when we looked on with horror at Nazi Germany performing its genetic experiments in pursuit of a master race; yet this legislation acknowledges the very fact that technology and the technocentric perspective have indeed become enmeshed with the categorical imperatives of blind economic pursuits, particularly the utilitarian and hedonistic perspectives.

We are talking quite casually now about gene technology. What is gene technology? At its simplest it is about decoding the deoxyribo nucleic acid, DNA, in the discovery of the sequences called genes. The utility or usefulness of this is to eradicate the weaknesses of unwanted gene traits, whilst retaining or amplifying the strongest or wanted genes. The bill attempts to address the issue of ethics in gene technology. How is the issue of gene technology dealt with by our society? The issue of this bill is not so much its attempted structure to incorporate ethical and religious sentiment in the framework of committees but which imperatives will dominate the discussion. This is by far the more serious problem with this legislation.

The mechanics of the bill are straightforward enough and in themselves uncontentious. There are to be a number of separate committees, including a scientific committee, an ethics committee and a community committee. They are to have an advisory role with a newly appointed gene technology regulator—GTR—who is responsible for administering the legislation and making decisions under the legislation. There are a number of outstanding issues relating to the effectiveness of the bill in respect of the ability of Australian society to deal with the consequences of this direction towards gene technology, or to deal with the imminent legal and industry consequences from this legislation.

It is this reductionist debate which drives me to despair. I was not a member of this House when the so-called Banking Industry Ombudsman came into being by virtue of legislation passed by this House, nor was I present when the legislation on media self-regulation came into effect. Without exaggeration, this bill is a direct consequence of powerful industry groups seeking to be permitted worldwide to further the cause of gene manipulation. That is the primary ethic. The ethical issues are couched in terms of ultimate benefits. We are told that there will be healthier and more abundant foods. We are told that these foods will therefore be cheaper, and will be more resilient to disease.

However, there is a profit motive in all this for those seeking to exploit gene technology, and with this profit motive comes the conflict between the utilitarian ethic and the pursuit of the honest good. It is the honest goods which are an issue. These honest goods include the following: the right of man to manipulate genes for some utilitarian pur-
pose—all things have a purpose, even weaknesses and disease. What right does a market driven multinational corporation have to decide what is good or bad in a living organism and then seek to change it? The entire bill is couched in the commoditisation of things. Everything is reduced to its biological building block. Everything has a price and is therefore capable of being owned, traded and sold. Therefore, the value of the gene is calculated on whether it is good or bad, which is dependent on the same tired, old, fundamentally defective ethic of pursuing the subordinate goods of utilitarianism or usefulness and hedonism or pleasure. I refer to Bills Digest No.11 2000-01 which goes so far as to give the example that we may even want to eliminate unwanted tastes in food. This is how we now adjudicate nature.

This bill, like any other bill, cannot be read alone, ignorant, as it were, of pre-existing domestic legislation or international trends in the law. Again, the Bills Digest will provide an exhaustive analysis of the international instruments and domestic and international laws relating to this bill. There are too many relevant instruments, legislation and papers to go into any detail here. However, again this analysis is narrow for it ignores perhaps the most invasive element of current trends towards globalisation befalling us as a country and throughout the world. I refer to the removal of trade barriers and the long line authority leading up to and including the recent efforts by certain entities towards ratification of the Multilateral Agreement on Investment—MAI. Whilst the MAI is a dead horse in itself, the philosophy of a globalised economy with no trade impediments to the free flow of capital is very much alive in contemporary thinking. The MAI was a result of over 20 international instruments through the Organisation of Economic Cooperation and Development—OECD. The instrument itself failed only through an overwhelming international outcry against the implications of this instrument.

Whilst MAI is dead, new initiatives are afoot through the World Trade Organisation, WTO. The corporate world seeks to stretch the boundaries of legality in their attempts to break down those barriers to free capital flows. Again, this is utilitarianism at its ugliest. By barriers, I refer to environmental, ethical and religious impediments—even social impediments such as a country’s right to enact sovereign legislation which may positively discriminate against the free flow of capital. It is legislation such as this bill which is a prime target to MAI and its successors. This bill will establish parameters which may be seen to either prohibit or in some way restrict the flow of capital by those seeking to maximise industrial gains through gene technology. Indeed, this bill has in contemplation the very pre-existing domestic legislation which is easily the target of subsequent international litigation. I refer to the various domestic import-export laws which are currently in force such as the Agricultural and Veterinary Chemicals Code Act 1994, the Quarantine Act 1908, the Imported Food Control Act 1992 and the Export Control Act 1982, amongst others.

The obvious and explicit assertion is that the gene technology industry is here to stay. I am reminded again of the saying, attributed to Adolf Hitler, “Because man can do a thing therefore he must do a thing.” Gone are the days where a moral imperative, through the application of reason, would deny the performance of a thing ab initio. No, now we have conceded that, because utilitarian and hedonistic ethics have so gripped our society, we must have the purported benefits of gene manipulation technology, notwithstanding the potential costs—including environmental and ethical.

Further, these pursuits of the mere useful and pleasurable goods must always outweigh the honest good. The honest good cannot hope to compete against the wants of chemical and biocorporations and the wants of a hungry, hedonistic and utilitarian society which is directed to buy the products of biotechnology. It is truly a vicious cycle. However, it is the implied assertions that are even more disturbing. The implied assertions deal with the priority of values that are embedded in this bill.

Mr Sidebottom—Are you having a go at me?

Mr MURPHY—I would never have a go at the member for Braddon—he is my
friend—or the member for Barker. The primary consideration is the affectation of the will—those things we seek which are based upon our hedonistic and utility driven wants. These subordinate goods drive us towards having the GTR as the ultimate arbiter of administering the legislation and making decisions under the legislation. The GTR’s powers are listed on page 10 of the Bills Digest, and I will not go through them here. We are familiar with the administrative scheme of this bill. We know that there is a vast difference between what is a breach of an act and offences against regulations and other by-laws under the act.

We are further aware that codes, policies, guidelines and other non-statutory instruments are largely unenforceable at law, at best giving rise to administrative remedies, including recognition of legitimate expectations that a policy, code or guideline will be implemented according to the spirit of that instrument. There is a high degree of double-speak in this legislation. We see at once that the ethics and community committees can only advise the GTR. They have no binding authority. The GTR is purportedly independent and appointed by the Governor-General, which really means on the part of the public—and so it should be.

But the begging structure is that the GTR is ultimately untrammeled by anyone other than parliament itself. I am particularly concerned about the fact that the policy principles are regulatory and hence will not be subject to direct debate in this House. They will be regulations and will be disallowable instruments. It will be up to each and every member of this House to be attentive and keep a vigilant check on every list of regulations tabled in this House to see when the policy principles are tabled. This is a most precarious way to administer the subject matter of a bill as significant as this. It brings to mind the very essence of the utility driven perspective and the technocentric perspective.

It is as if we can barter with nature. It is a perception that directs us to believe that we can negotiate with the natural order, as if nature itself is willing or able to concede inalienable laws in favour of our wants or pursuits of pleasures and useful commodities. We have reduced nature to a trading partner. We see nature as a thing that has goods that we want so we are willing to trade for them. If nature will not give us those goods, we will do what is logical—alter nature.

Throughout my reading of the Bills Digest, I was disturbed yet again to note the apparent absence of any direct reference to the precautionary principle in this bill. To my knowledge, there is no definition of the precautionary principle either alone or as part of the broader public policy that Australia is beholden to; namely, ecologically sustainable development. There is some indirect reference to the precautionary principle contained in the dialogue of the Bills Digest at page 25, and it is worth citing. It states:

Whether the best form of regulation of this experimental technology is prohibition on the release of GMOs into the environment, at least in the short term until sufficient scientific evidence has been gathered to make an informed decision, is an open question. Critics often point to dangers such as herbicide resistant weeds, harmful effects on beneficial insects, or the risk of losing natural genetic diversity in crops to a single genetically modified variety, which could lead to devastating crop failures ... On the premise that there has been little adequate or long-term testing in relation to these or other, as yet unforeseen, environmental risks or risks to human health, some commentators are questioning the desirability of gene technology, or at least the speed of its introduction.

I bring to this House’s attention the specific wording ‘unforeseen, environmental risks or risks to human health’. This is precisely the role of the precautionary principle, which I spoke at length on when I spoke on the Environment and Heritage Legislation Amendment Bill 2000 on 29 June 2000. I welcome the comments of any member of this House which may enlighten us as to whether the precautionary principle was considered when drafting this bill. Against this background, I am compelled again to cite in this House subsection 6(2)(a) of the Protection of the Environment Administration Act of New South Wales. It reads:

6 (2) For the purposes of subsection (1) (a), ecologically sustainable development requires the effective integration of economic and environmental considerations in decision-making proc-
Ecologically sustainable development can be achieved through the implementation of the following principles and programs:

(a) the precautionary principle—namely, that if there are threats of serious or irreversible environmental damage, lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. In the application of the precautionary principle, public and private decisions should be guided by:

(i) careful evaluation to avoid, wherever practicable, serious or irreversible damage to the environment, and

(ii) an assessment of the risk-weighted consequences of various options...

Therefore, the lack of full scientific certainty should not be used as a reason for postponing measures to prevent environmental degradation. I can see no clearer application of the precautionary principle than in the case of GMOs. If ever there were an issue of the highest policy relevance to the application of the precautionary principle, it is in the case of GMOs. Further, I am not alone in my assessment of this concern. There is a significant cross-section of our community who equally share my concern, not merely on grounds of its ethical and social implications but in terms of its environmental impacts. The Bills Digest notes on page 25 that the member for Calare, Mr Peter Andren, in his aptly titled dissenting report *Work in progress: proceed with caution*, advocates a five-year moratorium on development of GMOs to enable adequate independent research to be carried out. I confess that I have not read Mr Andren’s dissenting report; however, the word ‘caution’ stands out in my mind as consistent with the policy rationale of the precautionary principle.

As I have already said, the precautionary principle appears to be all but absent in this bill before us today. It cannot remain silent. Precaution is not, on the face of this bill, present in the construction of the administrative processes of this bill. A regulatory framework exists, but this framework appears more compelled to fulfilling the utilitarian and hedonistic aspiration of the biocorporations and the government’s profit driven perspective rather than doing what is explicitly stated in the Bills Digest in calling for regulation by prohibition.

The risks of GMOs are not negligible. Indeed, they are potentially biologically catastrophic, affecting life itself on this earth on a scale we cannot even begin to imagine. Given the very high risks at stake, the option to prohibit them is a very plausible one. Only our pursuit of utility and pleasurable goods stands in the way of us seeing clearly the associated risks and implementing a policy of precaution towards them. This is the essence of legislation such as this. It seeks to barter with nature, by giving the honest good of an ethically based law only second place to the primacy of wants based on usefulness and pleasure. Nature ordains and reason dictates that, if we get this wrong, we may literally pay with our lives for this mistake. Like the great biological catastrophic decisions of the past, once it is done, it may be impossible to reverse.

I note with humour the so-called compliance and enforcement provisions of this bill. Principle 7(d) of the 1998 ‘Regulation of Gene Technology’ discussion paper talks about the states and territories having a discretionary power to opt out following a decision to release a GMO product. What a joke! As if nature cares about political boundaries. We will have Victoria releasing a GMO whilst New South Wales and South Australia do not. What will that achieve? Will New South Wales and South Australian farmers be able to thwart biocontamination across the border? Of course not. In any event, this power is discretionary. There is no power to enforce on the states or territories the opt-out of a decision to release a GMO. I note that the WTO has a hand in this legislation through the impact of Australia’s obligations as a signatory to the WTO’s Sanitary and Phytosanitary Agreement, the SPSA. The opt-out clause does not directly violate the WTO’s SPSA because it is itself not a sanitary or phytosanitary measure but, rather, enables the states or territories to make such legislation. What of the states and territories? If they legislate in this way, does this not also bring them into conflict with the SPSA?

This is what I mean by bartering with nature. The proposed so-called ‘safeguards’ are puerile. They are fictional because they deny reason in favour of the will of the legislator
to maximise the want based perspective, being the utility and pleasure maximising perspective. I am afraid this will not wash here. The ‘other side’ is mother nature itself. Natural laws are intractable. Nature will react the way it will, and no technocentric solution will be available should a biological catastrophe surface. We are indeed dealing with the unknown in that we cannot scientifically identify even a small percentage of foreseeable possible outcomes.

I am reminded of the same tired old reasoning that we continuously fall prey to as an Australian culture that is engrossed and besotted with pleasures and utility. I refer to the high water mark of our arrogance and our stupidity in the other world renowned biological catastrophes such as the deliberate release of the dreaded cane toad into the environment, along with rabbits, foxes and other ‘clever’ decisions. Each and every one of the deliberate introductions of foreign species into our environment had, at its base, a utilitarian and hedonistic purpose. That is, they were to perform some task useful and/or pleasurable in man’s use of land. In doing so, the risks associated with the release of such organisms into the unique Australian environment were simply ignored, not assessed, or subject to complete blindness in our low-level ethics of the want based perspective of usefulness and pleasure. The consequence, as we now well know, has been the environmental decimation of an entire continent’s ecology with plague proportions of cane toads, rabbits and foxes, just to name a few.

Mr Sidebottom interjecting—

Mr MURPHY—I am very pleased to be entertaining the members for Braddon, Dickson and McEwen. By comparison, those artificial releases of life into our environment are minor compared to what we will experience with GMOs. They are small in comparison to the wholesale genetic restructuring of plant and animal life in all its forms. Quite frankly, in ratio to the level of research or absence thereof in respect of cane toads, rabbits and foxes, precaution demands that Mr Andren’s recommendation of a five-year moratorium and those advocates of regulation by prohibition may indeed be the only prudent option.

I question the structure of power in this bill in that the most telling instruments in the day-to-day management of the regulation of GMOs will be in legally non-enforceable instruments. Further, it is proposed that the bio-industry is to be self-regulating. I can say that self-regulation does not work. As I said earlier in this speech, self-regulation has not worked in the banking industry or in the media industry. It will certainly not work here, in my view. Self-regulating industries do not work because the utilitarian and hedonist pursuit of the useful and pleasurable goods always outweighs in our minds the higher or honest good. It is the honest good which is the subject of this debate. That honest good includes the impact on all Australians of GMOs in all their forms. There is also a gross offence against ethics for its own sake, which includes intrinsic values and what I call the ‘right to imperfection’. A policy which even contemplates a world which values the eradication of weaknesses or undesirable genes is truly a frightening world. It is frightening because the question arises, ‘Where does this reasoning end?’

FRAN BAILEY (McEwen) (5.49 p.m.)—There have been three revolutionary processes that have changed forever the way in which society operates. They are the industrial revolution, the information technology revolution and the latest, the biotechnology revolution. The legislation we are debating here today, the Gene Technology Bill 2000, is a product of that third revolution. And let us make no mistake about it: the application of gene technology is revolutionary because it has the capacity to change some characteristics of many of the crops we grow—to increase their rate of production and to provide plants with the ability to grow in areas of high salinity where previously it was not possible for them to grow, to give just a couple of examples. As well as agricultural uses of gene technology, there are many applications like research in biology and medicine, production of therapeutic products like insulin for diabetics, and industrial uses like the production of enzymes for use in paper pulp production.

The process and application of gene technology has sparked passionate debate be-
between those who support it and identify the benefits to the national economy, agricultural production, health and the environment, and those opposed to it, who proclaim the risks to people’s health, the environment and agricultural production. As Chairman of the Standing Committee for Primary Industries and Regional Services—with your very able support, I might add, Mr Deputy Speaker Adams—I recently tabled a report that examined the role of biotechnology in agriculture, the risks and benefits, the role of traditional crops, research, development and commercialisation, and the type of regulation needed. The title of the report, *Work in progress: proceed with caution*, indicates the view that, as gene technology continues to be developed, great care needs to be taken. The report—with bipartisan support—which was released before this legislation was introduced, emphasised the urgent need for a rigorous, transparent and independent regulatory process to be implemented. This legislation meets those requirements.

Before examining the legislation in detail, however, I want to place on record exactly what is meant by gene technology, because there is not just a lack of factual information in the community but a great deal of misinformation. There are many who will attest that there is virtually nothing that can accurately be described as ‘natural’ any more, after thousands of years of plant and animal breeding programs. As an example of that, a farmer recently reminded me that the first cobs of corn that were grown were about as long and as thick as my index finger while today his organic corn is very large and plump. The best definition I have come across about exactly what gene technology is is the example given in the committee report I referred to earlier. That was provided by the Australian Academy of Science, who said:

> All living things are made up of cells. All cells contain genes, which determine the physical characteristics of an organism. The building blocks of genes are composed of DNA. While DNA is the same across all species, the variety of ways it can be put together creates the difference between species and individual organisms. On average, plants contain around 22,000 genes, and animals can have up to 50,000.

Gene technology includes a range of techniques that can control, modify or delete particular characteristics of an organism, and transfer desired traits from one species to another. These processes give rise to plants, animals and other organisms that are referred to as genetically modified… The term ‘transgenic’ describes plants or animals which have a new gene inserted into them.

Not every gene in an organism is active, and only the genes which are expressed are responsible for the characteristics of an organism. Much of the research undertaken in gene technology concentrates on activating or suppressing the expression of genes known to cause particular traits. Desired traits can be transferred to different species through a number of methods.

The main uses of gene technology lead to the same output as conventional breeding programs, but with greater speed and precision; for example:

- genetic markers easily and rapidly identify the presence of a particular gene, and helps with the selection of lines with desired characteristics; and
- gene transfers from near relative species can be done faster and more easily through this technology than by conventional means.

I have already outlined the range of applications of gene technology. Currently, universities and other public research institutes like the CSIRO use gene technology for research and biotechnology. Pharmaceutical and agricultural companies use gene technology to develop commercial products. However, the very characteristics of gene technology currently used in such research which produce the means to achieve benefits for both producers and consumers are also those that cause concern in the community. The National Consensus Conference, submissions to my committee’s inquiry and community meetings in my electorate have identified a range of concerns varying from health concerns of consumers to impact on the environment and potential contamination of traditional crops because of insufficient buffer zones separating genetically modified crops from, for example, organic crops. As well as these scientific, health and environmental issues, others have expressed real concern about ethical, social and moral issues.

The reality is, however, that the technology is here. It is being developed and refined
at a rapid pace all around the world, even though in various countries governments and industry are publicly saying that the pace of development needs to be slowed down and more notice must be taken of consumers’ concerns. I believe that the emphasis on primary producers and science and industry rather than on consumers is at least partly responsible for the lack of easily understood factual information in the public domain. Without this information, people have been unable to make informed decisions and have had to rely on the latest newspaper headlines for their information. Naturally, people are concerned about any new and revolutionary technology, especially one that could be responsible for changing the food that they grow and eat or used in the development and manufacture of pharmaceuticals. It is therefore absolutely critical that the regulation put in place to control the testing and the application of this new technology in science, industry and agriculture be as rigorous and open as is possible. Underpinning the control that this legislation will achieve is the aim to protect the health and safety of people and to protect the environment from any risks associated with gene technology.

The range of GMOs that already exist and genetically modified products are currently regulated in a variety of ways. In the case of food—and that includes GM food—states and territories have the responsibility and food standards are regulated through ANZFA. The Therapeutic Goods Administration, TGA, administers all therapeutic goods including GM goods and human gene therapy. The National Registration Authority, NRA, administers all agricultural and veterinary chemicals including GM products. The National Industrial Chemicals Notification and Assessment Scheme, NICNAS, administers industrial chemicals, including any GM products. As well, AQIS administers the regulations of imports and exports, including any GM products. Up to this point in time, any proposal from whatever source, whether for research and development or to progress to the commercial release of a product, has had to be submitted to GMAC, the Genetic Manipulation Advisory Committee, a non-statutory expert committee who rely on their own expert members and may consult experts outside their committee. Each proposal is assessed on an individual basis and GMAC reports to the Commonwealth Department of Health and Aged Care.

While this system was only adequate at best when GMO research was confined to research facilities, it is no longer appropriate when research increasingly consists of actual field trials. GMAC’s resources and authority are now inadequate for being responsible for such examples of field research. Nor do they have the resources to ensure that the public are kept informed. As well, there are gaps that are not covered by either state or Commonwealth legislation. These include the growing of GM agricultural crops, the growing or breeding of GM animals or fish, the use of GM micro-organisms designed to decompose toxic substances and the use of GM viruses and vaccines, as well as by-products of GMOs such as stockfeed produced from GM agricultural crops. The system currently in place lacks credibility in meeting the demands and concerns of the public because there is not an openness and transparency to risk assessments, nor are there sufficient mechanisms in place for enforcement.

The recent breaches of canola trial conditions at Mount Gambier highlight the problems of the current system and the need to implement a regulatory system that is independent, open and transparent and which has the authority of accountability and enforcement. The community is right to demand that these mechanisms be put in place as soon as possible to ensure the health and safety of people and the environment while at the same time enabling Australia as a net exporting nation to keep pace with the rest of the world. It is therefore imperative that this stringent Commonwealth legislation be enacted as soon as possible and that this legislation be complemented by similarly consistent legislation by the states and territories. It is proposed that an intergovernmental agreement on gene technology be negotiated between the Commonwealth and the states and territories to establish a nationally consistent scheme. It is in the interests of everyone that Australia has a national and uniform system of regulation responsible for the day-
to-day administration, to ensure that we have the most stringent regulation that will achieve the highest levels of health and safety.

There are three main ways in which regulation could be achieved: firstly, as I have just said, through a system which could best be described as a cooperative, nationally consistent regulatory scheme; and, secondly, through discrete legislation in each jurisdiction, which would create a gene technology body in each state or territory. This model would inevitably lead to increased costs all round because of the duplication across the nation. It may also lead to some businesses shopping around for the best deal. The situation could arise where one company could gain approval for testing or commercial release of a GM product in one jurisdiction but not in others. There would not be any assurance to the community of decision making across the nation. I believe this would undermine the confidence of the community in the integrity of the whole regulatory process, and of course any increases in cost to business because of the differences from one jurisdiction to another would be passed on to the consumers and could affect our export competitiveness. Thirdly, we could simply rely on the Commonwealth’s broad constitutional powers to enact legislation to regulate GMOs. However, problems with this model for the Commonwealth would be in interstate trade and research being conducted by institutes that did not have cooperative arrangements. There would inevitably be numerous gaps, similar to those existing today, which would then have to be fixed by the enactment of state legislation. Obviously, this would lead to a lack of confidence by consumers and the inevitable duplication.

I believe that the first option would achieve a national consistency to regulation and therefore provide the highest level of protection for the health and safety of consumers, as well as providing a more streamlined approach for research institutes and businesses seeking approval for dealing with GMOs, while minimising costs which are a direct benefit to those investing millions in research and, importantly, to consumers. Most importantly, however, I believe that option minimises the potential for discrepancy between jurisdictions and covers any gaps in legislation. It is my belief that that option provides the best model for ensuring the achievement of all the characteristics of the optimum regulatory process—Independence, openness, transparency and accountability. Add to this a rigorous and comprehensive decision making process based on scientific assessment of risks along with consideration of broader issues of national interest and ethics and then I believe we can say that we have legislation in this area that is leading the world.

Another aspect of this legislation I want to examine is the role of the Gene Technology Regulator, who is independent and not subject to direction from anyone in relation to the risk analysis process of GMOs nor on the granting or conditions of a licence. The regulator has extensive power of enforcement, including the ability to cancel, suspend or vary a licence accreditation or certification, reporting breaches to parliament or, in extreme cases, criminal penalties. Part 5 of this legislation details the extensive process of licensing applications. As well as monitoring international practices in relation to the regulation of GMOs and maintaining links with international organisations, the regulator must provide information and advice to other regulatory agencies and to the public. It will be the regulator who decides whether information is commercial-in-confidence or can be released to the public.

In keeping with the philosophy of open and transparent regulation, this legislation provides for a centralised database of all GMOs and GM products—including conditions of licence—approved in Australia to be publicly accessible. This will mean that research institutes and companies will have to prove a commercial-in-confidence status rather than, as in the past, simply claiming that status. While this legislation allows for the regulator to table reports in this House and in the other place at any time under section 137, giving the regulator similar power as the Auditor-General, it was my committee’s recommendation that the regulator report to the parliament at least quarterly for
the first three years. I strongly support that recommendation.

Importantly, throughout the entire regulatory process there will be opportunity for community input. There is no doubt that the community has suffered from lack of factual information and it is vital that they receive it. For this reason, I state again on the public record, as stated in my committee’s report, how important it is that Biotechnology Australia be made a statutory authority. If BA is to be a credible source of information, it must not only be seen to be independent but be independent. By being a statutory authority, it would be at arms-length from ministerial control while still accountable to parliament and subject to audit by the Auditor-General.

The final point I want to make is on the question of cost recovery. There is no doubt that such a tough system of regulation of GMOs and GM products will be expensive. I certainly do not believe that Australian taxpayers should foot the bill for the extensive costs that large and well established companies will incur under our Australian system of regulation, but I do have some concerns about the small Australian companies who have committed themselves to expensive research only to find they cannot afford to progress to licensing their research for commercial applications.

I give as an example a small family owned company, Valley Seeds Pty Ltd, from my own electorate. This is a company that has been breeding grasses for 25 years and for the last seven years has been supporting researchers at Melbourne University to eliminate the allergy effects of grass pollen. Professor Singh and Dr Bhalla from Melbourne University have successfully managed to ‘switch off’ the allergy causing genes in ryegrass after isolating genes in the grass pollen that cause hay fever. As the commercial partner for the development of this technology, Valley Seeds, while hailing this development as a major breakthrough, sees the major benefit of this development for the public good, used on roadsides and public gardens. The cost, however, to this small family company of getting their genetically modified variety accredited and certified for commercial use could well be beyond their capacity and, sadly, members of the public would miss out. I am aware that KPMG are conducting a study into the proposed cost recovery options and I would urge them to take this sort of example that I have just given into account.

In conclusion, I want to say how pleasing I believe it is that so many speakers in this debate have been speaking about the need to implement such strong legislation and also have reinforced the need for a cautious approach.

Mr KERR (Denison) (6.09 p.m.)—It is delightful to be in the chamber when the predominance of members is from my own state of Tasmania.

Ms Kernot—Where is the predominance? I think you are wrong, much as I love Tasmania.

Mr KERR—Thank you for your love of Tasmania. This is important legislation, but I do not think these bills, the Gene Technology Bill 2000 and cognate bills, will be anything other than a way station along a path that is going to be the subject of continual public debate in this community. We are coming to this debate significantly later than many other countries. As a matter of my own personal reflection, one of my school friends with whom I played cricket when I was at high school later went to university and studied medicine and then moved on to research in gene technology. Dr Paul Cossum then found himself in a circumstance where there were no opportunities for employment in the field in this country and he went to work in San Francisco with a company called Genetech, which was then developing various medical products. He has now moved on in a very successful career and lives in Texas, where he continues to be one of the leading experts in the field of gene technology. I say that only to indicate by way of background that, whilst this parliament is now coming to a substantial debate on an area where Australia in a sense has had a very substantial advantage in education and raw research, we have yet to fully exploit the economic, medical and environmental gains that can come from an appropriate develop-
ment and utilisation of these processes in this country.

On the other hand, it is important to realise that we do have proper concerns about the way in which these new technologies will change the way we live and will potentially damage our community. It is not so odd to be concerned about a Strangelovian future. There are very real concerns about people, even of goodwill, making significant mistakes. It is easy to look back in the past in Australia to realise that much of what we have lost in our environment flows from well-intentioned but terribly tragic decisions: for example, the introduction of the rabbit, the fox and blackberries. All of these exotic species now are pests and cause us significant economic and environmental costs. One might respond that those were introductions not by scientists but by well-intentioned amateurs who wished to recreate English game parks in Australia and there was no reflection about it. But it takes only a little bit of thought to realise that we have actually had well-intentioned scientists who have introduced species which have caused significant damage. The best example is the cane toad, brought in to deal with pests in cane fields. We discovered that it had a rather more extensive diet than pests in cane fields and now its population is exploding across Northern Australia, soon to go into Kakadu, with no apparent physical or human barriers that are capable of preventing its spread. We are also aware that there is a temptation within the sciences sometimes to ignore the long-term repercussions of acts in favour of enthusiastic advocacy. The nuclear industry is a pretty good example of that, where there are significant advocates of the benefits of nuclear technologies who seem immune to consideration of the downsides that are associated with those technologies.

So how do we deal with this matter? We are dealing with a set of proposals that will advance genetic engineering. We are proposing a series of bodies which will be able to examine new technologies and to advise in relation to them, and an independent regulator working to a ministerial council that will have significant powers. Again, I must say that I think these are significant developments, but I am not entirely impressed by the idea that, simply because you have an independent regulator, you resolve the problems. Independent regulators, like all persons, are capable of error, and the fact that such a person is not subject to any external audit, check or review does not particularly leave me with any great sense of comfort. It simply indicates that he or she would be a person no doubt of great eminence who would be doing their best in that role, but a mistake if made is still a mistake, and the consequences if it is significant could be extremely detrimental. So most of us have approached this debate not with enthusiasm but with the realisation that there are significant economic, social and environmental gains potentially to be had and that significant health benefits are also potentially to be had. But, at the same time, we realise that it is appropriate to address these matters with a degree of caution.

I am also particularly mindful of my own state’s circumstances. It is rare that the island state of Tasmania has a particular advantage compared to the rest of Australia, but it does have a potential advantage in the sense that it is physically isolated from the rest of the community. It may well be appropriate for the Tasmanian community to consider a different set of approaches and a different set of responses in relation to the particular agricultural opportunities that exist in Tasmania and the fact that it could become a niche supplier of products which are not the subject of genetic modification. Whatever the advocates of the benefits of genetic engineering say, there is still a powerful reservoir of concern in the general community that would lead to, for example, the decision to label genetically modified foods so that consumers know what they are eating. This concern could also lead to the development of a premium price market for products which are not the subject of genetic engineering. Time will tell whether or not any of the concerns which those consumers have are legitimate. Suffice it to say for now that, legitimate or not, they are strongly held, and I think almost every survey of the Australian community highlights that fact. So we have a situation where opportunities could happily coincide to allow Tasmania to take a slightly dif-
ferent path to the rest of the Australian community.

This bill was developed after consultation between the states and the authorities concerned with the proposal for a regulatory framework, and limited public consultation was conducted in 1998 by the Commonwealth-State Consultative Group on Gene Technology. Within the first draft of the legislation, there was an opportunity for a state or territory to opt out of the regulatory framework to take into account their particular circumstances. That provision is not contained within the present legislation, and I understand that it is an issue which is being looked at in the hearings currently being conducted by the Senate Community Affairs Committee. I am also aware that the Tasmanian government has considerable concerns about its own integration in these processes. Commonwealth legislation is moving through the parliament now, but the state government announced today its own parliamentary review to look at the sorts of issues that I have briefly flagged tonight. Certainly, it would be an unfortunate outcome if this parliament were to proceed unmindful of the strongly held views of a state government that participated in the initial development of this legislation on the basis that there would be the opportunity to opt out of the regulatory framework, an opportunity available in similar legislation. It has been passionately argued by some that we need a national scheme which allows no exceptions and that there should be uniformity right across the board. But that is not the approach that has always hitherto been adopted in areas which impact on local production. For example, in the agricultural chemicals area there is an opportunity for a state assessment to be made, and different jurisdictions may on occasions choose not to make available certain products that are otherwise generally available within the Australian community. It does not seem to have caused any great difficulties, and I cannot see why it would cause any particular difficulties were an opt-out arrangement to be facilitated in respect of this legislation.

I am very strongly of the view that the legitimate concerns of the community are not going to be decisively dealt with in a single piece of legislation. They do not go away by our wishing them to go away. Whether or not those who believe we are on the threshold of great advances in these areas are right, we need to carry our communities with us. Communities are not even themselves uniform, and there are particular circumstances and particular issues which require attention at that micro level. I was very pleased during the national conference of the Australian Labor Party to join with the Premier of Tasmania, Jim Bacon, in gaining assent from the conference to a policy proposal that says the specific circumstances of particular regions should be taken into account in relation to quarantine related matters. I tend to have the same response in relation to this legislation—that is, I see that there are potential benefits but I also see that my own state of Tasmania may have different interests. It is possible—and I put it no higher than that—that the circumstances of Tasmania, not being in the main a mass producer of primary products but being, on the other hand, a strong producer of products which could be marketed at a premium because of their fresh and natural quality, may be properly accommodated in this legislation. I think the way to do that is to return to the opportunity for some specific arrangements which allow an opt-out provision in this legislation. I do not think we can satisfy the broad social objectives of Australia as a nation by turning our backs on those kinds of opportunities.

If I can put this in some slightly larger context too, it is very important for us to see the need to integrate our thinking—about a legislative framework for the regulation of gene technology—with the news today that support for research and development is so low. That is not unique to the manufacturing sector; it is also quite true of technological development and primary production. We used to really be the world leaders in research in primary production. The CSIRO is still an organisation of which all Australians should be immensely proud, but over time I think we falsely congratulate ourselves if we think that organisation can sustain the weight of the future if we do not have mechanisms in place to encourage greater private sector research and development, to integrate the
role of publicly funded research and to support it in the way that was so strongly advocated and advanced through the latter years of the Hawke and Keating governments. That was when we moved to establish key centres for research to ensure that there was a strong and supportive base for research and development.

Mr Deputy Speaker, I might briefly leave the topic of this legislation and, with the courtesy of the Minister for Immigration and Multicultural Affairs at the table, mention one other matter. I do it as a mea culpa. Some little while ago I took the opportunity of speaking in this House and I mentioned that there were considerable conflicts within the Liberal Party of Tasmania which had resulted in the resignation of its president, allegations of branch stacking and the like. All of those matters are substantially true, but I named as the villain behind the piece Senator Paul Calvert. After I had done that, Senator Calvert took me aside and said, ‘Yes, the substance of the matters are accurate. However, you have named the wrong person.’

Mr Ruddock—Is this related to the bills?
Mr Kerr—No.
Mr Ruddock—What is the relevance?
Mr Kerr—I have asked for your indulgence and you may withdraw it. I am simply doing what I undertook with Senator Calvert, as he put to me that he was not responsible for it. He asked me to inquire of others of his party for confirmation of that. They have done that. They have advised me that in fact it was not he but, rather, Senator Abetz who was the main protagonist in these matters. In order for me to withdraw the slur I made against Senator Calvert, I thought it would be appropriate for me to at least mention that and to indicate that any awkwardness that I caused him I certainly withdraw. The substance of the matter is a matter of public notice and I do not wish to take that any further.

Returning quickly to this legislation, we Tasmanians do not always share common views on all these matters. I know the member for Lyons, who is in the chair, is keen to see the economic opportunities that we can exploit through better agricultural production and some of the benefits that flow potentially to the environment—fewer allergens and the like—being made available. We would all like to see those things occur. On the other hand, I think that most of us are very strongly aware that we cannot race ahead of our communities, that few of us are experts—I certainly claim no expertise—and that, when presented with a scenario in which we are being warned by a number of people who superficially seem credible that there are significant potential risks that have yet to be comprehensively evaluated, the most appropriate course is to approach these matters with considerable caution.

On top of that, I think that there may be some particular economic advantages that could flow to my home state of Tasmania because of its unique geography, because of the fact that in a sense it is capable of being physically isolated from the rest of the Australian community, for us to approach the matter in a significantly different way. I commend the work that is being undertaken by David Llewellyn, the Minister for Primary Industries, Water and Environment in Tasmania, who has been most responsible for developing Tasmania’s present view on a moratorium and an inquiry. I commend that approach. I hope that the federal parliament will be able to accommodate the legitimate interests of those within the Federation who think that it is appropriate to apply a slightly different approach to particular physical regions. Of course, in Tasmania’s case there is the happy happenstance, which rarely works to our advantage but on this occasion may well do so, that Tasmania is an island and a region and a state—one and the same, together. So with those few remarks I indicate that I will be anxiously involved in future debate after the Senate committee reports. I understand the opposition has indicated in relation to possible amendments that it will be reserving its position until such time as it has had the opportunity of examining that report.

Sitting suspended from 6.28 p.m. to 8.00 p.m.

Ms Roxon (Gellibrand) (8.00 p.m.)—I would like to cover some particular concerns
I have about the Gene Technology Bill 2000 in its current drafting. Mr Deputy Speaker Andrews, it is interesting that you are in the chair, because the aspects that I want to deal with today have been under some discussion by the committee that both you and I are part of and which has been investigating aspects of human cloning and the processes that deal with other developments in this biotech area. In listening to the speakers on this bill today, it is clear that the government’s intention in pursuing this particular piece of legislation is to deal in the main with plant and animal gene technology, but there are some aspects of the legislation that also deal with gene manipulation as it applies to humans. It is on this aspect that I will focus my discussion today.

Our committee had a private briefing on aspects of the Gene Technology Bill. I do not intend to go into any detail, which would be inappropriate in these circumstances, but I am concerned about the way the bill is currently drafted. It does not set out explicitly which sections of the bill can and cannot apply to any research that would impact on human beings rather than on other sorts of organisms—be they plant, animal or types of bacteria.

Obviously this is a concern—I do not seek to scaremonger, as can happen when dealing with this type of legislation. There are some legitimate concerns in the community about genetically modified organisms, and there is also a lot of unjustified fear. I do not seek to contribute to that in the discussion today; more importantly, I seek to highlight some of the areas that are not covered by the bill.

Labor support the passage of the bill in the House, but we reserve our position on amendments that might be sought in the Senate following the conclusion of the Senate committee’s inquiry. No doubt these issues, amongst many others, will be raised and can be remedied at that time. So, in the spirit of seeking some further clarification of this bill and the ultimate form that it will take, it might be worth our looking in a little more detail at the definitions that are found in section 10 of the bill, in particular the definitions that deal with gene technology and genetically modified organisms.

Gene technology, as defined in section 10 of this bill, means:

... any technique for the modification of genes or other genetic material, but does not include:

(a) sexual reproduction—

There are two other exclusions, including techniques that can be excluded by some form of regulation. This definition makes it clear that there is nothing that stops gene technology from being applied to humans as it does to animals, plants and any form of bacteria. The definition of a genetically modified organism makes it clear that a ‘genetically modified organism cannot be a whole human being if the human being is covered by that paragraph only because human beings have undergone somatic cell gene therapy’. I think this does raise the question that other human tissue and treatment of human genes can be covered by this piece of legislation.

It is of concern to me that the legitimate focus of the bill is on other areas, and that we may be introducing some regulation to an area which was not intended. When one looks at the explanatory memorandum and speeches prior to mine in the House, there is nothing to contradict my concern that this bill may cover a much broader range than is intended. I am not necessarily saying that it would be inappropriate for a gene technology regulator to deal ultimately with human genes and their treatment or modification but, if we are to do that, we must be very explicit and ensure the system is appropriate not just for the handling and containment of genetically modified organisms in the plant and animal world, but also in the human area.

Mr Deputy Speaker, you know as well as I do that there are a lot of complex ethical issues involved, not just in gene manipulation but in a whole lot of other types of technology that can be applied to humans. Cloning is an area that you and I have been looking at in the inquiry that is currently under way. It concerns me that some of these other processes may inadvertently be covered by the provisions of this act. In particular, I would also like to look at the regulatory scheme that is being set up, because it may be that a regulatory scheme which plans to have a
national overview—-with the gene technology regulator having national responsibilities—-together with complementary state legislation would be a useful model in this area where it is quite difficult to be confident that the Commonwealth has strong heads of power. Most of those who have already spoken in this place have indicated that it would be helpful for us to have some nationally consistent scheme so that you do not seek to regulate the handling of genetically modified organisms in one way in one state and have completely the opposite happening in another state. Obviously if the focus of this legislation is about containment and proper handling and notification of where GMOs exist, et cetera, we should know about it on a national basis and not just on a state by state basis. It might be a useful model for handling a whole range of other issues that arise when talking about the treatment and handling of human tissue.

Since the announcement of the conclusion, if you like, of the Human Genome Project, I think there is growing concern in the community about what this really means for us. The opportunity to know more about human DNA and the way it can be manipulated and used, hopefully to provide improvements to our health and wellbeing and perhaps to be able to provide some information to us about how illness is caused, has great potential. But the way we manage it is vitally important; I would venture to say that it is as important as our concerns about the plant and animal area. There may well be lots of competing interests to make sure that our Australian industries and scientists can be well supported, but I think that being very cautious about how we deal with this is obviously a useful thing for us to be.

In terms of regulation and the desirability, if you like, for the community to be involved in the way the regulation works, I am interested in the model used for expert and lay committees and their capacity to be able to review the research and the commitment to there being some transparency and accountability. Again, I think this could be a good structure for us to use in a number of other areas.

But, if we are dealing with human genes and other experimentation on human tissue and cells, there would of course be a different layer of consideration, which may well be the ethical considerations. I know there are some ethical concerns—they may be described by some people as ethical concerns—in respect of this bill in terms of the way that plant and animal matter are treated. These are summed up mostly as being concerns about whether we are 'playing God', if you like, in allowing some manipulation of these genes. But I would think they would pale into insignificance when we try to consider the ethical questions that might apply when we are talking about the reproduction of human cells or the manipulation of human cells.

Certainly on my reading of this bill, there is only the potential for human tissue to be covered if there is some manipulation of the genetic make-up of the cell and this legislation, on any interpretation, would not include things such as reproductive technology and cloning, if it were to be of particular cells and without any modification of their genetic make-up.

While that part is clear, I think the line is blurred when we look at the sort of experimentation that may be possible within our gene structure. Given that there is no doubt that, in the not too distant future, we will have to grapple with how we legislate or regulate the cloning issue, we will need to deal with how we regulate the treatment of human cells in other areas.

I really just want to put my concerns on the record and say that, in introducing this bill, I think it would be very helpful if we make it 100 per cent clear how it interacts with any sort of genetic manipulation of human cells and how it affects the biotechnology in these other areas, so that we make sure we are very clear about what this bill intends to cover.

Mr DEPUTY SPEAKER (Mr Andrews)—Before I call the next speaker, I would just indicate that the practice of the parliament has been that if a minister or parliamentary secretary is not at the table when the chamber is sitting, that is regarded as something unconventional. Whilst I under-
stand there may have been reasons for that not occurring tonight, I just place on record that that has been the practice of the parliament throughout its history and I bring it to the attention of all present.

Mr RIPOLL (Oxley) (8.11 p.m.)—I rise tonight to speak on the Gene Technology Bill 2000, the Gene Technology (Licence Charges) Bill 2000 and the Gene Technology (Consequential Amendments) Bill 2000. The purpose of these bills is to establish the federal component of what is hoped to be a nationally consistent scheme for regulating certain dealings with genetically modified organisms and foods. Few issues have attracted as much attention or concern from the public as the issue of gene technology and all its related parts. In my electorate of Oxley, for example, within a matter of weeks, 7,000 signatures were given to a petition for the proper labelling of genetically modified content in a range of foodstuffs. As was evident from the reaction in Oxley to food labelling proposals, there is a genuine concern in our community to know what we are eating. The adage that you are what you eat takes on a new meaning in these times of dicing and splicing of genes to produce the ultimate crop.

Looking at the momentum of lobby groups in Europe and Asia in recent years, it is evident that people are clear about their views on the foods they eat. Regardless of the understanding of the technology that has allowed genetic modification to be developed, the perceptions of safety cannot be dispelled. Scientific, political and marketing rhetoric to trust the assurances of safety is not believed, and for very good reason. Maybe today we would not have all of this concern about GM foods if it were not for incidents such as the mad cow disease outbreak that spread throughout the UK and parts of Europe. The fear that this disease caused resulted in unprecedented actions being taken by nations to protect themselves from future possible outbreaks or problems related to modern techniques and shortcuts in the way we produce food. France, for example, installed at huge cost a computerised system that accounts for every part of a beast, at every stage, from the grower to the pedigree to the supermarket shelf, through a system of bar coding. This means that customers can check the history and full details of the meat they are purchasing. This is probably overkill and too much information, but it seemed to be the only way for them to restore confidence in an industry that was suffering almost beyond recovery. So, to some extent, the fear that surrounds genetically modified foods needs to be addressed with the same tenacity and thoroughness that the meat industry has had to undertake in Europe to ensure confidence in their product.

Mad cow disease had a huge impact on the way people all over the world demanded assurances that food products were safe, and this is now very relevant to the GM food debate. We therefore need to move cautiously into this new and exciting field that promises so much. Unfortunately, Australia is already behind the times in drafting legislation to dispel public concerns and to ensure the proper growth of this industry. I am disappointed that what has been an issue for a few years internationally is only now being considered seriously by government and by industry in Australia. In June of this year, the Grains Council of Australia indicated that it had no strategy for ensuring that GM grains were kept separate from other crops—an extraordinary attitude to have, given that despite industry pressure to influence ANZFA’s decision on labelling GM content, all indicators highlighted public concerns with the proposals under consideration.

There is now a degree of urgency in the regulation of products currently on the market that include GM ingredients, such as canola oil, cottonseed oil, corn, soy, rice, and potato products, to name a few. The reasons for the development of GM foodstuffs vary greatly, and regardless of the assurances of safety that these modifications are safe, at times I am unable to fathom the need to change some of these things at all. Some of these products have been genetically enhanced to improve the quality of the product; for instance, colour, taste, smell and size. Others have been genetically modified to incorporate resistance to herbicides, pesticides or insects. Others have been transgenically modified with animal genes to give
fruits and vegetables better qualities in the refrigerator. Others are genetically modified to make it easier for producers to get bigger yields. Others are modified to contain vitamins; for instance, nutrients are added to rice for use in poor nations where people lack basic minerals and vitamins in their diet.

While there are many reasons why GM foods can make our lives better, not all of them are necessary and not all are for the right reasons. Today we live longer for many reasons, none greater than the development of new technology, improved food quality, better hygiene and health standards, and more effective medicines. None of these is directly related to genetically modified foods, as the majority of this technology is very new, particularly in being able to identify, remove and replace specific genes and DNA. Some will argue that great advances have been made, and they have. For example, insulin can be extracted from pigs, and you can get a better quality product by genetic modification and manufacturing.

I could not agree with—and support—more the efforts in this and similar fields, but this debate is totally different from that surrounding the modifying of a tomato with a salmon gene so that it can last longer in the warehouse fridge, so that it can be picked earlier, so that manufacturers can throw them around with less bruising, so that the risk of loss at the point of sale is decreased, and so that they can sit on the shelf for over a week without spoiling. This is not something that consumers demand, need, or have been asking for; it is something that shareholders encourage to swell the value of their shares and, in the end, own the patent to a particular legume or vegetable.

As we have seen in the United States, seed companies can own the technology and hold the growers to ransom by manipulating the reproduction processes of crops and forcing growers to re-seed every year with bigger, fatter and juicier crops—of their brand and at their price, of course. So marketing strategies hoodwink primary producers into thinking they will get a better yield immediately without having to be responsible for the long-term investment required to ensure the future of their own industry. If this sounds a bit far fetched, think again, because it is already happening. Corn growers in the United States may have increased their crop size, but they have to purchase seeds annually and are suffering an enormous backlash in sales to overseas markets, such as those in Europe and Asia.

Some believe that GM is another step in agrarian evolution. This theory has been put by all of those who would call the rest of us Luddites, and we have heard many of those in this debate. Sure, grafting trees to produce a desired fruit has been practised for hundreds of years, but the scientific precision of GM is daunting and remains a reason for division in the scientific community. Genetic modification is not part of the evolution process and cannot shelter behind the development of agrarian cultures. This science is not that simple. The big problem is that no science agrees on the possible long-term effects, and not enough is known about the effects of combined genes that did not evolve together over a long period of time—particularly genes from different species that, under anything other than pure scientific conditions, would never come together. This is where I have some difficulty with the arguments that all genes are the same if they match, regardless of origin. This is where we leave science and logic and enter the world of science fiction and, particularly, ethics.

Then there are those who say we are just speeding up nature by putting together genes that would have come together anyway and that farmers have been doing this—by inter-breeding, for example—for centuries. Again, unless you can show me a farmer who breeds salmon and tomatoes together, I would have to disagree. The big difference is that breeding takes place over a long period of time, and when you attempt to do something which nature did not intend, it usually ends in failure. What happens now is that genes are literally smashed together to produce new types and species, bypassing the selection and filtering processes of time and evolution.

From my comments, you might think that I am totally against genetic modification. I am not. I just believe that the technology should be used to serve rather than to com-
Complicate our lives in fields that we do not fully understand or appreciate and which need proper control. There are many positives in the field of gene technology and biotechnology, such as the potential to decrease anaemia in the Third World; to eradicate the vitamin A deficiency that some 180 million children around the world suffer from; to reduce the use of chemicals in the production of crops; and to increase tolerance to aluminium, which is a soil toxicity problem that blights large areas of the tropics. There are also simple examples, like feeding the world’s hungry people.

The central theme in this debate is really safety. It is about whether something is safe or whether it is not, how this technology will affect the environment, and so on. The jury is out on many of these questions, but I am confident enough to say that, with tight regulation and control, and with governments with the courage to ensure proper practices, GM foods can be safe and can be good industry. We have grown up on a diet of sceptics borne out of past practices by science and large organisations which have used humans as guinea pigs in the development of science. Despite the inevitable claims and conspiracy theories, I believe we are entitled to make science responsible throughout its development. This is particularly crucial in the field of pharmaceuticals and in other fields related to GM and biotechnology. Ask anybody who had a child disabled by thalidomide whether thalidomide should be legalised now because the drug poses some potential good when it is used in certain immune deficiency disorders. Millions of women throughout the world took thalidomide for that age-old ailment of morning sickness that can make pregnancy very distressing. I doubt that any of them would now trade the relief from nausea for a few months of the hardship and heartache they have had to face over the past 30 or 40 years.

Many people in favour of GM will say, ‘It’s perfectly safe. Trust me; we know what we are doing. This is the solution to the world’s hunger problems and economic problems. This will be our next big boom’. They are the types of people who, throughout history, have made tragic mistakes and at whom we look back now and ask ourselves: ‘How could they have been so irresponsible?’ Many GM products are already on the market. We do not know much about them and there are no controls. It is about time that we did something to actually control them. The public has made its concerns very clear, regardless of the type of survey and regardless of the type of question. So I do welcome this bill. A number of complexities remain in the debate in terms of science, but there is simplicity in terms of consumer confidence. There is no conclusive evidence as to the safety of genetically modified foods—or otherwise, for that matter. Public concern in Australia and throughout the world is well recorded and well acknowledged. But questions still remain as to the real benefits of this new technology in certain areas.

Genetic manipulation between like plant species or animals is another issue that needs to be dealt with. In the field of transgenics, it is interesting to note that throughout the debate the argument is always put forward that there is nothing new about this technology, that it has, in fact, been around for a couple of thousand years or more, that it is really just a means by which we speed up the work of nature and that nature really intended for all of this to happen anyway. But, again, I would argue that this is not actually the case. There are not too many successful tomato-cum-salmon breeders out there who have really large markets. Another issue is the rights of farmers, particularly farmers who choose not to use a GE crop. What rights do they have with respect to a neighbouring crop affecting their crop? What long-term effect will that have? We recently saw some poor practices in Mount Gambier, where GM crops and seeds were improperly dumped at the local tip. That happened right in the middle of this debate; so you can imagine what would happen if we did not have some good regulation.

A truly good outcome of this technology would be the feeding of the poor and the plentiful supply of food to all the world’s hungry people—for example, a GE crop that could grow in arid land or in countries that have low technology or in extremely poor
countries that cannot produce the quantities of food they need. But the solutions are not going to be found in GE crops alone. This would be just one part of what has always been a large problem. Who would pay for these very expensive technologies and for how long? To what extent would a people be held in debt to the owners of this technology? If the crops could be grown, who and what technology would harvest these huge new food supplies and who would cart them across the countries? As you can see, this debate must be approached from a holistic perspective rather than from the simplistic view that we can feed the world through GE crops and therefore it is good. I believe there is currently enough food produced in the world to feed the world and still have some left over. But, obviously, that is not actually the problem. You could also ask what distribution system would be employed and who, at the end of the day, would have the money to buy the actual products at the stores. They are all serious questions that need to be dealt with.

Another area that I have looked at in this debate is: who is actually pushing the issues? You will always find two sides. On one side, there are the large multinationals pushing full steam ahead saying, ‘Let’s go ahead regardless of any possible outcomes,’ and, on the other side there are those saying, ‘This is really evil; we shouldn’t have it at all.’ I am somewhere in the middle of that. I think the industry should be given a chance to open up and to thrive, but it needs to be regulated. Another issue that stems from that is that it is not always the case that farmers or consumers will be the ones to benefit.

That leads me to an issue that was hopefully finalised to some extent recently—that is, the labelling of GE products. The current one per cent threshold is a start but, for me, it is a case of whether it is all or nothing. If you change something genetically then it is changed. So the percentage is not so much the issue. Anyway, it is a good start. The principle here is the significant difference between what is changed and what is not changed in terms of what they can identify through DNA tests. I think there is still a fair bit of debating to be done in that area. If people are asked whether they want to know what is in the food they eat, they say that they do. In my view, I think we have some very good labelling that takes place in Australia and this legislation will only enhance that. In many cases, consumers are not asking for the modifications to occur. Therefore, if modifications take place, I think the resulting products should be labelled. The underlying principle for the need to have meaningful labelling is something that I welcome, although I do not think it goes far enough. It does not cover fresh fruit and vegetables at the grocers and certain additives and food colours, and restaurants will not have to label their food. So there are still some problems there. Like I said, it is not perfect but it is a step in the right direction.

There needs to be a strategy to ensure the isolation of GM crops from non-GM crops. Another issue to be addressed is the use of herbicides. There is also a whole range of ethical issues for people such as vegetarians or people who, for religious reasons, would not want to eat, say, a pork product and who, whether it is just a gene of pork or a whole pork product, would say, ‘This is something we want to know about, and we choose not to eat it.’ There is also a range of health issues for people with allergies. One particular gene may not affect them in isolation but combined with something else it might. This right to know, this ethical argument that we are having, is very central to this whole debate. There are also questions with respect to protecting the environment, fair and free trade—which we have all been discussing recently—and questions about whether some countries may use this GE issue to put up artificial trade barriers or tariffs.

One of the arguments that you will get from industry is about the cost of labelling. They will say that it is just too expensive and they cannot identify it. I would argue that that is totally false. If they are buying crops from someone who has GE crops then they know they have got them and they should therefore label them. It is as simple as a paper trail and would take very little work and very little cost.

There are certainly a lot of positives in trying to produce lifesaving drugs—for ex-
ample, as I mentioned before, insulin. I think this area should certainly be explored and expanded and be given government support, as should a whole range of areas in this field, with proper control and proper legislation. We will hear all sorts of arguments and a bit of circus banter in this debate depending on which side you take—in some cases it does not really matter which side you take—but probably the best argument that covers a broad range of views and one which most closely reflects my own view is the argument put forward yesterday by the member for Lyons—a fellow foodie. One of the points he brought to light in his contribution was that gene technology is here and it is here to stay—and I do not argue with that. Our role as legislators is to ensure that we put in place the frameworks and regulations that will maintain peace of mind for consumers and for the industry.

There are common threads of debate from both sides of the House and both sides of this issue in terms of safety, trade practices, regulation, proper licensing and so on—things that are contained within these bills. It is also essential that the regulator established to monitor the development of GM and GE products in Australia remains independent of industry and answerable to government. Industry driven legislation on this issue has failed, as is evident in ANZFA’s consensus with food labelling regulations. There is an obligation on this House to address and redress the obvious safety concerns of consumers. An independent regulator will not allow relevant industries to manipulate the true needs of the market.

This bill goes some way to addressing these matters but falls short in some key areas. As these areas have been dealt with very ably by many other speakers, I will not retrace their paths; suffice to say that the bill is well overdue and much needed in an industry that has so much potential but still needs so much control and regulation. The issue of GE, for us as legislators, is really at the very beginning. We are today debating a very new type of bill—one that we will be debating again in the future and one that will lead us to other debates. People will have many more moral and ethical problems and issues, depending on where these technologies take us. I am talking about debates such as cloning, in particular human cloning and the cloning of organs, where we start to get into the realm of genomics—and I believe we are very close to actually unravelling the human genome—where we will have the key, as it were, to our own DNA. We will have this great power for the first time in history. What we choose to do with that power will, I think, be the key and will be what will separate us from others.

It is going to be very important for this parliament to be at the forefront of that debate. We should not wait for the rest of the world or industry to dictate to us where this issue should take us. Industry and technology have moved faster than we as legislators have. That might have been okay 20 or 30 years ago when things moved a little slower, but it is no longer okay today. The parliament and its legislators need to move at the same speed of change so that we can properly put into place the regulations and rules necessary for these industries to develop properly. (Time expired)

Mr ANDREN (Calare) (8.31 p.m.)—As the only member of the Standing Committee on Primary Industries and Regional Services inquiring into primary producer access to gene technology to prepare a dissenting report, I recommended a five-year moratorium on the development of genetically modified organisms in Australia to enable adequate independent research to be carried out on the health and environmental impacts and consumer demand for such products. I did this not because of some naive call from uneducated consumers or green activists but, as I stated in that report, because of evidence like that from the Australian Medical Association which told the inquiry that the jury is still out on the benefits and risks of genetically modified foods on public health and the environment. As well, I pointed out that Australia risks surrendering its unique, clean agricultural status in a too hasty marriage to an unproven technology. I said Australia should be ultracautious in facilitating any genetic pollution of its agriculture and not give ground, as it has in quarantine protection. The governments of Tasmania and, to a lesser degree,
Western Australia have recognised these latter points in imposing their own moratoriums or at least delays in introducing this technology. I have heard little so far in this debate about the benefits to Australian agriculture of maintaining a clean, green product devoid of genetic modification to meet the market demand out there for such produce. The fact is that we are working on the assumption that this technology will become a major if not dominant part of our food production and consumption. However, many millions around the world increasingly question the need and motives for such technology and assert their right to reject it.

How does the gene technology legislation match up with the recommendations of the committee of this parliament? Recommendation 30 of the parliamentary report recommended that the Office of Gene Technology Regulator report to the parliament at least quarterly for the first three years of its existence. Proposed section 136 of the bill provides for annual reporting with discretion to report at any other time—a power said to be equal to that of the Auditor-General and Ombudsman. I, for one, would have wanted that extra mandated reportage as recommended by the committee. The committee at recommendation 35 called on the government to ensure that there is sufficient in-house capacity in the Gene Technology Technical Advisory Committee to provide timely and effective risk assessment. As the bill details, the advisory committee may be composed of up to 20 scientific and technical experts and one lay person—which I suppose can be regarded as sufficient in-house capacity. In addition to GTTAC, there will be a Gene Technology Community Consultative Group and a Gene Technology Ethics Committee. However, while the gene ethics committee will be modelled on the Australian Health Ethics Committee, only the Gene Technology Technical Advisory Committee will be directly involved in providing advice on GMO licences and other applications. The Gene Technology Ethics Committee will not have a function to advise on policy guidelines or specific guidelines—which brings into question the real value and purpose of either the community consultative group or the ethics group.

The parliamentary inquiry also called on any proposed legislation to make risk assessments public. Under the bill the gene technology advisory committee has no power to make any risk assessments public; rather, such power is vested in the regulator. Formal risk assessments are required only when the GMO in question involves applications for a licence under part 4 of the bill. At that time, the regulator must prepare a risk assessment and risk management plan, but whether or not these should be made public depends on whether or not dealings involve any intentional release into the environment.

This brings me to the regulator himself or herself—a superperson if ever I saw one, with herculean responsibilities and the wisdom of Solomon—dealing with a technology the medical associations of Australia and Britain say has health and environmental consequences yet to be assessed. The functions of the regulator spelt out in proposed section 27 cover the tasks of determining applications for GMO licences; developing draft policy principles and guidelines; developing codes of practice, technical and procedural guidelines; providing information and advice to other regulatory agencies and the public; undertaking and commissioning research in relation to risk assessment and bio-safety; and promoting the harmonisation of risk assessments by regulatory agencies. A busy person indeed, and a powerful one.

For dealings that do not involve any intentional release into the environment, such as contained laboratory work, there will be no requirement for the regulator to consult with anybody in preparing the risk assessment plan and risk management plan. It is comforting to know that where, in the regulator’s view, any dealing involving intentional release into the environment may pose a significant risk to human health or safety or the environment, the regulator must advertise such an application and invite submissions. The regulator can also consult the gene technology advisory committee and the other two community and ethics groups as well as regulatory bodies such as ANZFA and the National Health and Medical Research Council. While the regulator has the power to determine the level of risk with GMOs, I
wonder just how he or she will, at the end of
the day, be able to fulfil the object of the bill
as stated:
... to protect the health and safety of people, and
to protect the environment, by identifying risks
posed by or as a result of gene technology, and by
managing those risks through regulating certain
dealings with GMOs.

There is no provision in the bill for a statu-
tory right of action or a fund to compensate
those affected by any breach of the legisla-
tion. Nor is there provision for immunity of
GM free farmers who inadvertently use GM
products. While the committee supported
recourse to common law by those affected,
there seems to me a need to build into this
legislation definite clauses covering liability
in the event of contamination and economic
loss.

A statutory compensation scheme such as
workers compensation would seem a mini-
mum requirement given that the open release
of GMOs into the environment is such a re-
cent phenomenon. In Canada, the National
Farmers Union wants the federal government
to make agricultural biotechnology compa-
nies responsible for what it calls the genetic
pollution of organic and traditional crops.
Indeed, we debate this bill before the results
of a Senate inquiry into the legislation, be-
fore we know the long-term impacts of this
technology, before we know the results of a
three-year, $3 million study by the CSIRO
into the long-term impact of genetically
modified organisms announced only this
week. The head of this project, Dr Mark
Lonsdale, has been quoted as saying:
What we need to determine is could we be creat-
ing a monster?

According to Dr Lonsdale, the technology
has the potential to pose as significant a
threat to Australian soil quality as salinity.
While GM crops are alleged to increase crop
stability and yields, the CSIRO project will
explore suggestions that the threat they pose
to soil quality could have the opposite effect.
We are not conducting this research before
introducing legislation that will further ex-
pend the release of GMOs. We are not con-
ducting this before we jump on the GM train.
We are conducting a three-year research
program into GMOs after we introduce leg-
islation facilitating the expansion of usage of
genetically modified organisms. Again, as Dr
Lonsdale says, if everyone uses the one crop
you end up with low agricultural biodiver-
sity. On a much larger scale, how do you
quantify the risk posed to non-GM farmers
from the introduction of GM crops? ‘How
far apart do these crops have to be?’ he asks.

How far apart do these crops have to be
according to the legislation before this
House? This bill does not set specific buffer
zones around GM crops to protect organic
and GM free crops growing nearby. Does
this ‘superperson’, the regulator, have a
水晶ball? Does he know something the
CSIRO study is yet to find out? According to
proposed subsection 56(1), the regulator
must be satisfied any risks to the environ-
ment or to human health and safety can be
adequately managed. How, I ask, can he or
she do that without the sort of knowledge the
scientific community can provide? And the
scientific community, through the CSIRO, is
only now about to embark on a three-year
study to try to establish just that sort of
knowledge. Have we put the cart before the
horse? I think so. Is this evidence of the need
for a moratorium until we know? I think so.

I spoke with Dr Lonsdale earlier today
and he said the CSIRO study will keep pace
with the progress of the industry and that
buffer zones would be a second-stage task
after the impact measurements of the three-
year research are fed back into designing
such zones. But that may well be too late for
many farmers who wish to pursue the GM
free path or for organic farmers. It seems as
though the assumption ‘This is good; trust
us’ from the scientists and agrochemical
companies who dominate this technology
will just have to be swallowed. That is what
gets up the nose of many farmers, rural
communities and consumers.

I know the member for Moore, with sci-
entific knowledge and commercial interest in
this field, seems to argue that we do not need
a moratorium, a study or indeed any serious
response to the concerns expressed by mil-
lions of consumers around the world. He speaks of the medical usage of GMOs in producing insulin and other products and the fact that the medical authorities, while critical of the quick uptake of GM foods, are quite happy to use the medical products. The only difference is that insulin is a lifesaving requirement and there is no other option. There is and should always be an option for the food we eat, and we must not be used as part of a massive worldwide experiment, the health and environmental results of which will probably not be measurable for many years.

 Speakers in this debate have detailed how the techniques of plant and animal breeding have long been used to modify characteristics of plants and animals. These breeding techniques, this selection for the most favourable characteristics, are said to be exactly the same as the techniques employed in genetic engineering. They are not. It is not as simple as the scalpel compared with a sledgehammer approach to breeding alluded to by the member for Wentworth. We are not talking about the deliberate cross-pollination that occurred in my early orchard working days between, say, a gravenstein apple—the so-called pollinator—and whatever variety you were producing, in this case a jonathon, both types now long superseded by other varieties, also no doubt developed by selective breeding and pollinating techniques manipulating the natural environment but certainly not, as with GM, introducing previously non-existing characteristics to a plant or animal that originate from a different species, or, to take this further, creating transgenic varieties. Mr Deputy Speaker, I put it to you that this is a huge jump from the long-standing techniques of selective breeding.

 There has been discussion in this debate on the issue of the precautionary principle. The member for Moore questions the value of the precautionary principle, and says it seeks to legitimise unfounded and irrational decision making processes. However, in his less gung-ho and more cautious contribution, the member for Scullin rightly points out how the European Union is establishing guidelines, as it should, about where the precautionary principle should be applied, that is, in situations where the scientific evidence is uncertain. And, yes, scientists are sometimes uncertain.

 The member for Scullin pointed out the sad fact that there are too many examples of companies working in this area that have done the wrong thing. He cited Monsanto’s admission in almost cavalier fashion in last weekend’s press that tonnes of GM cottonseed had been accidentally mixed with non-GM seed on a farm in Queensland, saying: The mixed seed went into one big pile, and they do not know where it went from there.

 The Aventis company, in announcing it will lobby politicians to have its herbicide resistant canola on sale within two years, was quoted on 22 August in the Central Western Daily in my electorate as having conceded it could have breached laws in trialing crops but said an accidental crop release at Mount Gambier, even the dumping of GM canola trash at a tip, did not harm people or the environment. How do they know? If Aventis can claim that, it should tell the CSIRO and save the three-year $3 million research program into that very kind of scenario. The CSIRO does not have the answers yet. Apparently Aventis does!

 Monsanto can point to GM technology to improve the vitamin A content of rice for the Third World, but it should be clearly understood that according to the UN World Food Program as quoted in my minority report: we are already producing one and a half times the amount of food needed to provide everyone in the world with an adequate and nutritional diet; yet one in seven people is suffering from hunger. Indeed Gebre Egziabher, General Manager of the Ethiopian Protection Authority, has said: people are hungry because they have no money, no longer because there is no food to buy.

 The so-called green revolution driven by the World Bank, which persuaded farmers in the Third World to replace a multitude of indigenous crops with a few high yielding varieties dependent on expensive inputs of fertilisers and chemicals, has led to huge losses in genetic diversity. Indian farmers have seen the number of rice varieties reduced from 50,000 to just a few dozen over the past few
decades. One wonders how long it will be before the emerging Indian IT economy is held to ransom by the dictates of the new green revolution.

This bill does not specify the standard of evidence required by the regulator in making decisions on licensing. Environment Australia has recommended that any pre-licence assessments should be based on replicable findings only and any evidence should be subject to the same type of peer review as is applied to published research. Environment Australia stated in evidence to the committee:

... the unknown evolutionary fate of inserted genes all contributes to the difficulties of predicting environmental impacts.

Let me mention the agreement on sanitary and phytosanitary measures—the only World Trade Organisation instrument directly relevant to GMOs, but a very important one. It aims to ensure that quarantine and related health and safety import rules are not unnecessarily restrictive or discriminatory in relation to international trade. Any restrictions on importation must be based on scientific principles. So, for instance, apple growers are faced again with defending their livelihoods against the incessant attempts by New Zealand to export apples from its fire blight plagued islands. A report from the Australian Quarantine Inspection Service that could well overturn a 75-year ban on the import of apples from New Zealand is expected in a few weeks. What has changed? Has New Zealand overcome its fire blight problem? Are we now free of the risk? No. What has changed are the dictates of the World Trade Organisation’s free trade rules that deliver, to New Zealand and others, the ‘markets of the world’—a fantasyland level playing field infected, potentially, with every disease—thus evening out the disease and evening out the market opportunities. It is tipped AQIS might recommend a so-called area freedom approach, which is simply opening the back door to New Zealand imports and criminally threatening the advantage we have had for 75 years—a disease-free environment.

When considering this issue in the last parliament a few years ago, the same primary industries committee which delivered the gene technology report looked at this fire blight issue in the wake of so-called discovery of fire blight in cotoneaster plants in the Melbourne and Adelaide botanic gardens. Had it not been for a hastily arranged briefing, our committee would never have known that AQIS was about to rely on a profoundly ‘objective’ source to determine whether or not those cotoneasters really were infected by the strain of fire blight that devastates New Zealand apples and pears and nearly every pome growing country in the world bar Australia! Who was going to do the testing? None other than New Zealand scientists, the very same bunch who had so miraculously discovered the fire blight in the first place. So much for AQIS’s ability to defend the best interests of Australian agriculture in the face of the sort of pressure being applied by world trade forces that we are so reluctant to challenge.

Time does not permit me to go into detail on other aspects of the bill, but I look forward to the Senate report due next week and any recommended amendments that will tighten this legislation. Areas I believe need amendment include, firstly, the requirement that the regulator be 100 per cent self-funding after mid-2001. This could seriously compromise the regulator’s independence. Secondly, the regulator’s powers to delegate need to be more tightly defined. There is a need to absolutely ensure advice on GM products is given by a body independent of the regulatory agency involved. Thirdly, in the absence of the regulations accompanying this bill, I cannot assess yet if there are sufficient safeguards to regulate low risk GMOs. Fourthly, I believe it is essential the regulator be required to insist an organisation has and will maintain an institutional biosafety committee before any decision is made to accredit the organisation. This must be part of the licence conditions. Sixthly, while the inspection and monitoring sections are good as far as they go, there is no provision for a comprehensive auditing process. Seventh, the adequacy of penalties needs review and amending. While less serious offences contained in the bill, such as proposed in sections 175, 187 and 192, may result in imprisonment, no terms of prison are provided for
Tuesday, 29 August 2000

I am interested in the best outcomes for the consumer, the farmer and the environment. While my colleagues recommended we proceed with caution, including the framing of this legislation, I argued for extreme caution, including a moratorium. I do not think we will achieve that at a national level, but I urge both houses of this parliament to seriously consider the bill in the light of the Senate inquiry’s findings and the weaknesses I detect in the bill as it stands.

Ms HALL (Shortland) (8.51 p.m.)—Gene technology is an explosive new technology which is evolving at a rapid rate. It is in its infancy and offers promise and hope for a future free of disease and illness, coupled with bountiful quality produce and foods. It is a science which challenges many of our traditional beliefs and perceptions about life and forces us to expand and consider our intellectual and ethical boundaries. Gene technology has been heralded as the science that will deliver a cure for cancer, identifying and eliminating genes that cause disease, but as yet the expectation has not been matched by the results. Further, gene technology is progressing quickly and dramatically, necessitating social and institutional change.

I am afraid that, to date, the government has not handled this change at all well. The Gene Technology Bill 2000 leaves me in fear for the future. Gene technology creates changes that raise ethical, legal and perceptual issues. If handled badly, this change could lead to dislocation within our community and fear and mistrust of technology that could benefit humanity. That is why this legislation is so welcome. The need for legislation to regulate gene technology has been apparent since the early 1990s. While I have a number of real concerns about the legislation, at least it is a step in the right direction. The member for Calare was saying that this is putting the cart before the horse. I understand where he is coming from, but I feel that if we do nothing gene technology will take care of itself. It will develop a life of its own and we, as regulators, will not be able to impact on where it goes or be able to control the future.

The government has been reluctant to legislate and show leadership in this area. This can only result in lost opportunity, community suspicion and economic disadvantage. The recent debate over labelling of genetically modified foods demonstrates the government’s lack of understanding of the real issues. The community is not necessarily opposed to genetically modified food, although I believe a large number of people are. The real issue is that this government wanted to prevent people from knowing what they are eating. People want to know what they are eating and they want the labels on food to reflect that. You have only to look at some of the produce that has been modified with genes from fish to see how it could be of concern to a vegetarian. This technology is being used to increase the life of products, but people who eat the product need to know what they are eating. Gene technology is also a concern in the area of trade. The European Community and Japan like to know the processes that have been used in producing food. Failure to disclose this will lead to loss of markets.

The community has been crying out for the government to show leadership and regulate to ensure that the health of the community and the environment are adequately protected. All that has been achieved in this process is to create anxiety within the community and distrust of the government. Australia is at the crossroads in its management of gene technology. It must balance the need to ensure community acceptance, food safety and environmental issues against the loss of market share, inhibiting research and loss of knowledge. If we as a nation do not handle this science with the respect and enthusiasm it deserves, it will cement the current brain drain that is so evident in Australia’s society today.

This government has failed miserably in the area of research and development. Never has there been a time in Australia’s history when so many of our scientists have left our country. The government’s failure to embrace gene technology, to come to terms with it and to take the community with it will
lead to a further brain drain. More scientists will leave our country because we do not have the framework in place to encourage further development of research in that area. We have only to look at today’s Australian to see that Australia now rates below Iceland, Denmark, Canada and Austria in its gross expenditure on research and development as a proportion of GDP. That is just not good enough. The amount of money that Australia is investing in research and development has plunged nearly 10 per cent in two years—that is money we should be investing in Australia’s future. During 1996-97 and 1998-99, the nation’s gross expenditure as a percentage of GDP fell from 1.65 per cent to 1.49 per cent—a fall of 9.7 per cent.

If the government does not show more leadership, does not show how it is prepared to invest and encourage research and technology, this fall will continue. Gene technology reportedly offers significant advantages to agriculture, particularly in quantity and quality of product. As has already been mentioned by a number of speakers, the genetic modification of rice with an increase in vitamin A and the benefit that that can have in Third World countries is one of the benefits of gene technology that is being touted by people who support it. Also, there is an ability to produce crops without insecticides. As well as the benefits offered by gene technology, there are some serious concerns that governments need to address.

One of the main concerns I believe government must address is the need for the community to accept gene technology—and I do not think that has happened at this stage. Even producers of agricultural products are not uniform in their acceptance: 55 per cent of all producers support a five-year moratorium on gene technology. The reason for this, I am sure, is that they do not know the long-term effect of gene technology any more than we in this House know the long-term effect of gene technology. There is very little research into the long-term effect, and until we do know that long-term effect we should proceed with caution. We should make sure that the legislation in place regulates the industry effectively. Further, producers feel that gene technology creates uncertainty in the market. You could say they will be producing more produce and therefore have a better market share, but there is uncertainty because some farmers realise that in the world market some areas genetically accept modified products with some reluctance. Also, there are farmers who do not produce genetically modified produce and they are very worried about their products being contaminated by genetically modified products. That brings up the issue of liability. This technology could result in endless litigation where non-GMO farmers have their crops affected by genetically modified products. That is an issue that really needs to be addressed. We need to really know and understand how products can be contaminated and the effect of this contamination.

Consumers are another group that the government have not given due consideration to in their rush to introduce this legislation. There is uncertainty over the health implications. We need more knowledge about the long-term effects of consuming genetically modified products. There is great distrust in the community about the government’s handling of the issue. If you want to see the way the government have handled this issue, you have only to look at the way they handled the labelling issue. The process is not open. The process must be open, and people must understand what it is that they are committing themselves to, understand the technology and understand the implications of the technology for them. Unfortunately, the government have failed to do this. There has been no scientific rigour placed on the whole process. There have been insufficient trials of genetically modified products. That results in suspicion, and that can result in problems for our society in the future.

Whilst one of the main positives of genetically modified produce has been touted as being a reduction in the need to use pesticides, the same genetically modified crops could have a very negative impact. It could lead to the growth of super weeds, weeds that will in fact affect the products that farmers wish to grow. It could lead to unpredictable new species with mutation, and virulent virus strains could become prevalent. These are areas of great uncertainty. We do not
know the long-term impact or effect of this technology. It has not been properly trialled and I do not believe that, to date, it has been properly regulated.

Many of the previous speakers have talked about contamination and cross-pollination and the legal battles, the litigation, that will come out of this and the sale of GM products on the black market. An article in the Age on 25 March exposed the genetically modified canola plants that were dumped contrary to the recommendation of the Genetic Manipulation Advisory Committee. As recently as 25 July, the Sydney Morning Herald identified 69 tonnes of traditional cottonseed that had been mixed with genetically modified cottonseed. The thing that I find interesting about this is that we did not find out about this through the Interim Office of the Genetic Technology Regulator; we found out about it through the media. So once again there has been no openness in the way this technology is being sold to the Australian people and the way it is being regulated and introduced. We need openness. We need a regulator that is there making sure that the industry is regulated and not covering up when a problem arises.

We can only hope that the Office of the Gene Technology Regulator being established in this legislation is more effective, but I do have concerns about that. The regulator will be required to fund its existence 100 per cent. That means it must be 100 per cent user pays from the middle of next year. It means that the recovery of costs comes through the administration of the regulatory regime. Costs are recovered through the fees for the granting of the GMO licences. Therefore it will be required to approve enough licences to cover its costs.

I see that as a major conflict of interest. It could lead to the regulator being a captive of industry, and it also creates a problem for independent scientific research. We need scientific research, but that research must be independent. The conclusions of the research should not be signalled before the research takes place, and we need to know that it will stand the rigours of the tests that scientific research should be subject to. Otherwise, it can lead to a compromise of the standard or the independence of the authority, and we do not need that in Australia.

Whilst the legislation does not address the ownership of intellectual property, I believe it is a very important issue and one that government will need to address. Gene technology ownership is concentrated in the hands of a very few multinational companies. Unlike the owners of patents, these companies do not have any restriction on the time that they own that technology, and this is placing enormous power—and, I might add, enormous wealth—in the hands of a few.

In the US this has been found to be a problem in the area of medical gene therapy. It has been found that mixing the treatment of people that are suffering from a medical condition with financial interests often leads to conflict. I was recently reading about a notable case involving the Institute for Human Gene Therapy at the University of Pennsylvania, which pushed the boundaries to some extent. A young man that had been on medication for many years and had been surviving quite adequately a life threatening disease since childhood was given a new treatment. Within four days of being given that treatment, he was dead. A number of inquiries in the US have followed, and debate rages over the actual and the perceived conflict of interest. When you mix this type of research with financial gain, you are always going to be placed in the position where you have to consider ethical issues.

In this piece of legislation, there are a number of areas where you have to look at the conflict between financial gain and the independence of the regulator. Also, we have to look at the ownership of the intellectual property in the long term. As I said, this legislation is a move in the right direction, even though it is a somewhat belated and weak move in that direction. At the same time, I acknowledge what the member for Calare said about having a moratorium in place. I do feel, however, that we need to have some regulation. This is legislation that needs amending to be truly effective, and I am sure that following the Senate inquiry there will be many recommendations in that area. The government must use this as the starting point for future legislation that will consoli-
date the gene technology industry in Australia whilst addressing the community’s concerns and ensuring a safe and open industry that is not plagued by litigation and hidden agendas.

Mr LAURIE FERGUSON (Reid) (9.11 p.m.)—Many claims have been made on behalf of genetic engineering. They stretch from having more productive crops—which will lessen the impact on the environment, reducing the need to destroy forests and therefore reducing the impact on waterways—to developing edible insulin. They range from the creation of khaki or blue fibres to the production of paints and plastics from plants. They include the ability of plants to be insect resistant, to emit their own pesticides and to contain deadly proteins, vitamins or protein improvements, et cetera, ad nauseam. I particularly noted the comments of the member for Calare in regard to the seeming futility of the consultative and ethics committees and the lack of role they really have in government advice, and I noted his calls for statutory compensation. I note also the concerns of a number of speakers in regard to the user-pays concept of this legislation and the impact that it might have in calling the tune in the industry. I, however, want to deal with my right to question the so-called scientific hierarchy which dictates that this is the only option. In the Guardian Weekly of 2 to 8 March 2000, the editorial commented:

We welcome Mr Blair’s conversion to a cause that he once dismissed as hysteria, for the Prime Minister seemed to make up his mind hurriedly on GM foods. Soon after taking office, he was persuaded that Britain would be a world leader in biotechnology and that it should not let slip its domination of the new technology.

The editorial further commented:

We hope that Mr Blair will be less dismissive of concerns voiced in future. Perhaps he will realise that he does not always know the public mind better than it knows itself and that sometimes the ability to lead is also the ability to listen.

That editorial emanated from the British Prime Minister’s comments in the Independent newspaper that week, where he said:

There’s no doubt that there is potential for harm, both in terms of human safety and in the diversity of our environment, from GM foods and crops. Blair further commented that he understood the ‘cause for legitimate public concern’ and said that Britain would move ‘very cautiously indeed’. The timing of that is interesting because that very week citizens of the United States, under their freedom of information act, helped obtain evidence that the British government had been persuaded by Clinton to move and change the British position. A day after the two leaders met in Downing Street, Britain, which then held the European Union presidency, set in motion changes to make it easier for GM food to be sold. To me that typifies the reasons that people should perhaps not assume that, just because a scientific establishment says something about this product, it is therefore right. It is interesting to note that while Blair has moved his position, the government of this country has been not so sanguine about genetic engineering. There are the comments of the ACT health minister, Michael Moore, in the Advertiser of 21 October 1999, when he said, of the Prime Minister’s intervention in regards to labelling, that it was a ‘very sad’ intervention. He further commented:

I think ministers will feel a significant resentment at an intervention that’s based on ignorance...

That essentially stands as indicative of this government’s overweening attempt to promote this industry. It is interesting to note that the Prime Minister’s figures, essentially manufactured by KPMG, as to the cost of labelling in this country have been somewhat discredited in the interim. The broader concerns in regard to genetic engineering concern the degree to which the United States is pushing this agenda in international trade and its political leverage around the world. The member for Oxley commented briefly on concerns that some European countries might use hostility towards genetically engineered crops as a trade barrier. Quite frankly, I think that, while that is understandable, we have an equal danger in that the United States is using its trade power to overcome the health and environmental concerns of the European nations to impose on the world the dictates of its corporate world. The degree to which the United States administration is taking orders from Monsanto is indicated in an article titled ‘Pandora’s Pantry’ in Mother
Jones of January-February 2000. The article by Jon R. Luoma said of the United States’s position:

Despite mounting scientific concern, the Clinton administration still adheres to that policy, requiring nowhere near the intensity of testing that would apply to a food additive, such as an artificial sweetener—let alone a drug. In addition, the FDA—

the Food and Drug Administration—

requests only that firms conduct their own safety assessments of new products containing GE components. The FDA has received such self-assessments for each GE product it has approved so far, but “does not conduct a scientific review of the firm’s decision [to bring the product to market],” according to an agency spokesperson.

Is it any wonder that the United States administration seems rather lax in regards to genetic engineering? We noticed that President Bill Clinton, in his 1996 presidential campaign, was at pains to promote chief executive Shapiro of Monsanto Corporation as a leading associate of his in business. It is worthwhile noting that Michael R. Taylor, Monsanto’s vice-president for public policy, is a former executive assistant of the FDA. He was also closely associated with Monsanto then. Mickey Kantor—on Monsanto’s board of directors since 1997—is the personal attorney of President Clinton and a former US commerce secretary and US trade representative. Marcia Hale, Monsanto’s director of UK government affairs, is a well-connected former assistant to President Clinton. William D. Ruckelshaus, a member of Monsanto’s board of directors, is former chief administrator of the Environment Protection Agency under Richard Nixon and Ronald Reagan. Jack Watson, the chief legal strategist for Monsanto, is a former White House chief of staff in the Carter administration. So what we have had has been not only the penetration of the FDA—and that has been acknowledged in a series of other articles—by Monsanto’s employees but also their close political connections with a variety of US administrations. The reality of this industry is outlined in an article by Andrew Simms in the Guardian Weekly of 18 May 1999. He noted that:

The top 10 agrochemical companies control 85 per cent of the global agrochemical market; the top five control virtually the entire market for GM seeds.

The situation is essentially that this industry is being driven by a few players, that they are influential in the US administration, and that the US administration utilises its trade power and political influence to push this agenda internationally. Another indication of this was that in 1998 the World Bank lent India $150 million to make the seed industry more market responsive to global corporations. The other thing that concerns me is the increasing connection between the science that supposedly backs these agendas and legitimate university study. An article in the Washington Post of 17 August this year commented:

... Arnold Relman, a former editor of the New England Journal of Medicine, believes free-market thinking is distorting the mission of the medical researcher as “a reliable, trustworthy source of information about the safety and effectiveness of new methods and new products”.

“Is everything, including health care, just a market commodity? I believe the answer is obviously no”...

What he was detailing is the close interconnection between universities dependent upon corporate finance and the scientific output. In a very worthwhile article in the Atlantic Monthly by Eyal Press and Jennifer Washburn, titled ‘The Kept University’, which I would like to quote at length, a number of comments are made about this whole difficulty and the degree to which we can rely on scientific evidence for these products, and our inability to have a scientific alternative. That concerned me when I was on the 1992 Standing Committee on Industry, Science and Technology inquiry into Genetic manipulation: the threat or the glory. I was concerned that we essentially had a very uneven debate between a wide variety of scientists on the one hand—many of whom might be perceived as having connections with industry, whether directly or indirectly—and on the other hand the Australian Conservation Foundation and a large variety of people who, for philosophical or religious reasons, opposed genetic engineering. Quite frankly, their arguments were not that intellectually convincing in regard to the science.
At that stage, as a layperson with very limited scientific knowledge, I was disturbed by the degree to which a parliamentary committee could be affected by the lack of alternative information and alternative sources and probably by their inability, despite the very stringent efforts of the Parliamentary Library, to deal with an establishment that essentially is going in one direction.

This article makes a number of very important points about the trend in the US and the degree to which we can just dismiss some of the concerns that a minority of scientists are putting forward in regard to genetic engineering. Some of those concerns are the overuse of herbicides that might arise, new genes producing new proteins which may be toxic or cause allergies, new genes which may alter the action of old genes close to them, the introduction of genes from distantly related species, the world seed supply coming under the control of a few large corporations, and viruses combining with other viruses to produce new virulent viruses. They are some of the concerns that have been articulated by a minority of scientists.

I note that the member for Lyons— from recollection—referred briefly to the situation of Professor Arpade Pusztai of the Rowett Research Institute in Aberdeen. The brain, liver and heart shrivelling of rats fed on a particular genetically engineered potato caused a furore in the United Kingdom. Essentially, he was forced out of his job, he was attacked by the scientific establishment and there was a large debate about his work. Eventually, he was exonerated to a large degree by the publication of an article in the Lancet. He was obviously perceived as a small minority out there in the wilderness voicing an unpopular point of view.

Returning to this article that I mentioned earlier, it refers to a particular piece of legislation in the United States, the Bayh-Dole Bill, and its impact on universities in the states and the degree to which we must now question whether they are independent of the corporations and whether we can trust them as independent arbiters— people we can respect in regard to their side of the evidence. That article commented:

What is undeniable is that Bayh-Dole has revolutionized university-industry relations. From 1980 to 1998 industry funding for academic research expanded at an annual rate of 8.1 per cent, reaching $1.9 billion in 1997—nearly eight times the level of twenty years ago. Before Bayh-Dole, universities produced roughly 250 patents a year (many of which were never commercialised); in fiscal year 1998, however, universities generated more than 4,800 patent applications.

It further commented:

A 1997 survey of 2,167 university scientists, which appeared in the Journal of the American Medical Association, revealed that nearly one in five had delayed publication for more than six months to protect proprietary information ...

Essentially they had done scientific medical research but had suppressed it for commercial reasons. These are people in the university institutions in the United States. It went on:

In a 1996 study published in the Annals of Internal Medicine, Cho found that 98 percent of papers based on industry-sponsored research reflected favourably on the drugs being examined, as compared with 79 percent of papers based on research not funded by industry. More recently, an analysis published in the Journal of the American Medical Association found that studies of cancer drugs funded by pharmaceutical companies were roughly one eighth as likely to reach unfavourable conclusions as non-profit-funded studies.

On page 45 of the same article it states:

More than a year before fen-phen, the appetite suppressant, was pulled off the market because it seemed to be implicated in a number of deaths, a group of researchers published a study in The New England Journal of Medicine warning that drugs like fen-phen could have potentially fatal side effects. But the same issue contained a commentary from two academic researchers that downplayed the health dangers of fen-phen. Both authors had served as paid consultants to the manufacturers and distributors of similar drugs— connections that were not mentioned.

Further on the article states:

The dean of Chicago’s medical school, Glenn D. Steel Jr., recently removed many faculty department heads and bluntly told Business Week that he plans to begin “insinuating the place ... with entrepreneurial people”—a clear statement that
commercial acumen is becoming an important qualification for new faculty.

So that is the situation there; it is happening here to a degree as universities are becoming more and more reliant on corporations to finance their chairs, to provide their scholarships and to have their names on buildings in this country—the same concerns and fears must arise. My final quote from the same article contains a comment by Donald Dahlsten, the associate dean of the College of Natural Resources, who shares the concerns of this whole article:

“Molecular biology and genetic engineering have clearly risen as the preferred approach to solving our problems, and that’s where the resources are going.” ... “New buildings have gone up, and these departments are expanding, while the organismic areas of science—which emphasize a more ecological approach—are being downsized.” Dahlsten once chaired Berkeley’s world-renowned Division of Biological Control. Today that division, along with the Department of Plant Pathology and more than half all faculty positions in entomology, are gone—in part, many professors believe, because there are no profits in such work. “You can’t patent the natural organisms and ecological understanding used in biological control.”

The situation is that we have a very strong agenda dictated by US corporations internationally. The European Community has had some difficulty in resisting this. If we return to Britain for one moment, we have traced earlier the way in which the British Labour government was heaved by Clinton and the US administration, an administration heavily affected by Monsanto and possibly other corporations. But the UK experience, which unfortunately as many speakers have noted has preceded us by quite a while because of the inaction of this government in regard to putting some controls into this industry, is also informative in regard to other problems.

A minister in the UK government, Lord Sainsbury, was found to have been funding a genetic engineering corporation in which he had a number of interests. The British government dismissed its own 13-strong advisory committee that granted licences for genetically modified crops because of concerns about its lack of representation. Once again, the member for Calare referred to his concerns that a number of these committees, which seem to be basically throw-off lines of the legislation, will not be having much of a role in regard to advising the government. It is interesting to note that the minister, Mr Meacher said:

I am not making any suggestion of impropriety by any member of the committee. I have every confidence that the committee has acted responsibly and given honest advice based on the scientific expertise they hold ...

What he had to do essentially was to reassure the British public that a committee that was overwhelmingly dominated by industry interests and that lacked much representation from the environmental groups and from alternative scientific sources was altered because it typified a public concern that really they could not trust the word of government and that they could not trust the word of the scientific establishment. This legislation as detailed is a step forward of some sorts, but it is still to be viewed in a context where the overwhelming optimism of the government and industry sources should be more strongly questioned.

Mr Kelvin Thomson (Wills) (9.31 p.m.)—The object of the Gene Technology Bill 2000, as set out in proposed section 3, is to protect the health and safety of people and to protect the environment by identifying risks posed by or as a result of gene technology. A number of previous speakers—my colleague the member for Reid, the member for Gellibrand and other speakers—have made very thoughtful contributions covering many of the areas canvassed by this legislation. I will not endeavour to retrace the steps so ably marked out by them, but I do want to go to one aspect of gene technology—in particular, implications of the human genome project and other genetic research in the area of insurance.

Let me say to the House that I am indebted to the Investment and Financial Services Association for work they have done in developing a draft policy on genetic testing. Lest there be any allegations of plagiarism, I want to make it clear from the outset that I intend to draw on their work in some detail. It is expected that the human genome project and other genetic research
will eventually give rise to several broad categories of genetic information. The first relates to the identification of genes for specific diseases that are known to be transmitted either by a single dominant gene or by a pair of recessive genes. Such information would enable prediction with a high degree of probability, but not necessarily absolute certainty, of whether an individual would develop that particular disease. Tests are already available for some specific diseases—for example, Huntington’s disease and cystic fibrosis. There is no doubt that many more will become available over the course of the next decade. The predictive value of such tests is likely to improve over time as the sophistication of our knowledge grows.

The second very broad category of information likely to emerge is genetic information that predicts a general predisposition to a certain disease or group of diseases—for example, a general predisposition to coronary artery disease or cancer. That risk will often be determined by the status of multiple genes. Since the development of many, perhaps most, diseases is influenced to some extent by behavioural or environmental factors, this category of genetic information will not predict with certainty that a particular disease will develop but rather will give the probability that such an event will occur. A third category will be the identification of genes that influence the course of various diseases that are not genetic in nature. An example would be the gene that influences the progression from HIV infection to AIDS.

The human genome project is an international research effort directed towards mapping the entire human genetic code. Completion of this work is expected early in the new millennium. The detailed genetic information that is starting to become available as a result of this project has very substantial implications for society in general and for the health of individuals in particular. It will have substantial implications for the insurance industry worldwide. We have already seen consumers expressing concern about the implications of genetic testing for the availability of health insurance, but the issue that I will now focus on and the issue that has been focused on by the Investment and Financial Services Association is the area of life insurance—in using this term, we are talking about life insurance, disability insurance, crisis insurance, critical illness insurance, trauma insurance and those sorts of things.

Consumer groups and the media have drawn attention to what they perceive as the potential for misuse of genetic information by insurance companies. The Investment and Financial Services Association, or IFSA, considers that it is essential that consideration of genetic testing issues should recognise the balance that is required between the legitimate interests of patients, policyholders and insurance companies. Life insurance safeguards the financial security of many millions of Australians by a process of risk pooling. For life insurance to remain viable, it is essential that the vast majority of the population have access to insurance at normal premium rates. It is fortunate that Australian insurance companies have historically been able to offer insurance against death risk to approximately 93 per cent of the population at normal or standard premium rates. One of the objectives of IFSA is that life insurance remain available to as many people as possible at these standard premium rates. IFSA’s approach to the issue of genetic testing has the specific objective of maintaining this availability in the genetic testing era. At the same time, the process of risk classification should be free to evolve and reflect the current state of medical knowledge in the interests of all policyholders, both present and future.

A life insurance company’s ongoing capacity to pay claims relies on its receiving sufficient premiums to cover the cost of both claims and administrative expenses. Insurers measure the future cost of claims by a process referred to as underwriting or risk classification. Each applicant for insurance is placed in a pool of similar risks and is charged a premium commensurate with the predicted future costs of claims for that pool. Effective underwriting relies upon an assessment of all factors that impact upon the risk of death, disablement or serious illness for the life to be insured. So information, including the applicant’s occupation, finan-
cial circumstances, recreational pursuits and health, is considered, which leads to an over-
all risk classification. Of course, the same
principles apply in general insurance, where
the cost of insuring a car is determined by
the value of the car, the driving record of the
driver, and so on.

The vast majority of Australians can be
insured at normal or standard premium rates.
There are some people, however, for whom
the risk of death or disability is well above
the average, and in those cases a higher pre-
mium is charged, and in a small percentage
of cases insurance cannot be provided. Ge-
netic information, like all health status in-
formation, may influence a person’s propen-
sity to apply for insurance cover. An indi-
vidual aware of genetic test results indicating
that they are at high risk of premature death,
for example, may find life insurance a very
attractive option. On the other hand, if armed
with genetic test results that indicate a very
low risk of early death, some people would
no doubt choose not to take out insurance
because they would not consider it to repre-
sent good value. So if the results of genetic
testing are not disclosed to life insurance
companies, there is likely to be a shift in the
average risk of people taking out insurance.
So you would get more of those with high
risk and fewer with low risk taking out
cover, and the result would be a significant
increase in the cost of claims, leading in turn
to insurers having to increase premium rates.

The second key issue is whether it is ap-
propriate for life insurance companies to re-
quest or coerce an applicant for insurance to
undergo genetic testing as part of the risk
classification process. To their credit, in my
view, the Investment and Financial Services
Association, on behalf of insurers generally,
have taken the view that this is not appropri-
ate and have made a submission to the
ACCC endeavouring to have an authorisa-
tion for a proposed code of conduct by which
insurers would not require people seeking
insurance to undergo genetic testing. I think
that is an entirely appropriate position for
them to arrive at and to seek approval for. As
they pointed out, in practice many of us
would prefer not to know what risk we are at
from various genetic diseases, particularly
diseases for which there is no prospect of
prevention or cure. On this basis, I think it is
inappropriate for insurance companies to
request or coerce applicants for insurance to
undergo genetic testing. There may be fur-
ther technological or other developments or
changes in community attitudes that cause
this situation to be revisited, but it does seem
to me right that insurance policy follows
community attitudes on these matters.

Another element of their genetic testing
approach that I draw to the attention of the
House concerns the issue of privacy. IFSA
considers that, in the interests of privacy, the
results of genetic tests should be used only to
classify the risk of the individual on whom
the tests were conducted, certainly not to use
that information in relation to other family
members or to make that information known
to others, and that strict standards of confi-
dentiality in the handling and storage of all
medical information should apply. So, based
on those considerations, the policy that IFSA
have put forward concerning genetic testing
is that insurers will not initiate any genetic
tests on applicants for insurance. Insurers
may request that all existing genetic test re-
sults be made available to the insurer for the
purposes of classifying risk and, in order to
prevent indirect coercion to undergo genetic
tests, insurers will not use genetic tests as the
basis of preferred risk underwriting—that is
to say, offering an individual insurance at
lower than the standard premium rate if they
are prepared to undergo genetic testing. In-
surers will ensure that the results of existing
genetic tests are obtained only with the writ-
ten consent of the tested individual. The re-
sults of genetic tests will be used only in the
assessment of insurance applications in re-
spect of the individual on whom the test is
conducted. So it is not used in the assessment
of insurance applications, for example, from
relatives. Insurers will ensure that strict stan-
dards of confidentiality will apply to the
handling and storage of the results of genetic
tests, and access to the results will be re-
I think that policy makes quite a lot of sense and I note that it has support from the AMA, the Human Genetic Society of Australasia, the Australian Health Ethics Committee, and from others I will come to in a moment. That policy was submitted to the ACCC earlier this year on the basis that a ‘balance needs to be achieved which addresses the interests of insurance policyholders and patients with genetic conditions’. It was put forward as a code that might evolve over time, and the issue of what additional components or changes might be made to be the subject of continuing consultation. But their desire was to prevent what they refer to as an ‘insurance genetic testing free-for-all’ and allow continuing research, evaluation and debate.

Given what I thought was a pretty reasonable position, it was a matter of some disappointment to me that the ACCC issued a draft ruling, a draft determination, saying that these arrangements, this code, would not be supported by them. They said that the proposed arrangements were not likely to result in benefit to the public which would outweigh the detriment from any lessening of competition likely to result from the arrangements and that they were not likely to result in such a benefit to the public that the arrangements should be allowed to be given effect to. So their draft determination denies to IFSA the authorisation for the code they have developed.

I have read the ACCC draft determination to try to ascertain why this is so, and the only points I can take out of it are comments by the commission that it is not satisfied that an insurance genetic testing free-for-all would eventuate if the code was not approved. They make the point that each member of IFSA would unilaterally decide whether or not to initiate genetic tests on applicants for insurance and that the net effect of the code is that IFSA member insurers would agree not to offer discounts on premiums based on genetic test results. The commission says that that sort of agreement, concerning pricing practices, would be anticompetitive and likely to result in significant detriment to the public.

What the ACCC is really saying is that they would be quite happy to see insurers offer lower premiums to people who are prepared to undergo genetic testing. As I indicated, that is a view about which I am not persuaded in the slightest. I think it is quite significant that consumer bodies, far from supporting the ACCC’s position, have come out in support of the IFSA position. For example, the Financial Services Consumer Policy Centre has corresponded with the ACCC and sent them a submission which says:

The FSCPC is concerned at the ACCC’s draft determination which deems IFSA’s draft code guidelines as being anti competitive. We are of the view that this determination ignores the fact that what IFSA are advocating for will generally regulate life insurance practice in such a manner as to prevent a potential breakout in the number of industry players seeking a genetic test and likewise the number of individuals volunteering a genetic test.

The Financial Services Consumer Policy Centre says, and I agree:

Both those scenarios could have an adverse affect on a majority of consumers. We are totally opposed to any industry practice whereby companies would initiate further testing as part of their health assessment. This practice will considerably increase the cost of insurance and may lead to either anti-selection or otherwise the imposition of prohibitive premiums on those consumers. They urge the ACCC to reassess their draft determination, because they think that the application does give rise to effective consumer protection and a discernible public benefit which outweighs any potential anti-competitive behaviour. That is my view as well. I think that it is not in the public interest for insurance companies to decide that genetic testing is necessary for people wanting to take out insurance or for insurance companies to offer lower premiums for people who are prepared to undergo genetic testing. I think that would be quite harsh on many Australians who seek life insurance for good reasons but who do not wish to be involved in genetic testing, also for good reason. So I think that the approach which the insurance industry has come up with in rela-
tion to this is an eminently sensible and practical one—certainly at this point in our technological development and history—and I hope that the ACCC will, in terms of its final resolution of this matter, see its way clear to supporting authorisation for the code which IFSA has developed.

Dr THEOPHANOUS (Calwell) (9.48 p.m.)—I wish to indicate that I will be opposing this legislation, the Gene Technology Bill 2000 and related bills. In so doing, I want to make it clear that I do not oppose genetic engineering or the formation of genetically modified organisms. I oppose this legislation because the regime which has been suggested here is totally inadequate to the task that we face in relation to this spectacularly important area of human scientific endeavour and development.

One could begin by saying that, from a philosophical point of view, the development of gene technology is probably the biggest scientific challenge that we face in the 21st century. Unless we get our practices right, there can be very dangerous developments and problems which are beyond our wildest imagination. The capacity to manipulate genes has opened up new vistas, but it has also opened up great dangers. In that sense, it is very important that we have a regime which makes sense and which protects health, safety and the environment. Those are the proclaimed aims of this legislation.

Listening to the speakers tonight and yesterday, I am amazed that there is not a second reading amendment, and there does not appear to be any intention to move committee stage amendments. One of the reasons that has been given is that we are all awaiting the Senate committee report on this very important issue, and it has been stated that the Labor Party and others are going to move amendments in the Senate on the basis of the report. Be that as it may, I think that it is possible, just on the basis of the criticisms made by the earlier speakers, to ask, 'Why has this legislation been rushed through now, before the Senate committee report, before the problems have been identified, and before crucial amendments have been put into place?' I do not understand why this has been done, but I can say this: the bill, as it is, would be totally unacceptable in trying to achieve the results.

Let us begin with one issue: the enormous role which this bill gives to the regulator. We have an interim regulator already in place in relation to genetically modified organisms, and it has become clear even at the Senate committee hearings that there is a great deal of dissatisfaction with what has already occurred—cases which should have been picked up and monitored, or even stopped. For example, breaches of requirements concerning genetically modified foods or crops have not been picked up. And we have not even put the full regime in place.

Let me explain the critical issue in relation to the full regime. The issue is this question of 100 per cent cost recovery for the regulator. That issue makes this legislation very dangerous. What are we looking at? We are looking at a regulator who has to make a decision about whether to approve certain proposals in relation to genetic modification of food, whether these be plants or animals. That is one of the key areas that we are looking at. From May 2001 the regulator—and even the Parliamentary Library has pointed this out in its Bills Digest—has to recover not only the cost of investigating a particular issue but also the full cost of running their office. This means that if the regulator wants sufficient resources, sufficient staff, to run their office they are going to have to charge very significant amounts. But consider the following scenario. There is someone who wants to pull the wool over the eyes of society and the regulator in relation to some genetic modification of food, crops, animals—whatever. He recognises that the regulator needs money for the running of their operation and that the regulator can impose as heavy a fee as he or she likes. There is then the potential for serious compromise, where it is possible that a major multinational corporation, interested in introducing a genetically modified food which has some dubious characteristic, could actually organise things in such a way that they are charged very large amounts of money in order to be cleared by the regulator. The regulator, in order to raise their money, would have to either clear many cases or
charge very substantial amounts of money that only some of these major corporations could afford. In that situation, what independence would the regulator have to make a determination in terms of the health, safety and environmental concerns? I put it to you, Madam Deputy Speaker, that the regulator would be in a very serious position if these proposals go through.

We must not compromise the position of an objective regulator in this very critical area of scientific development, where there is enormous concern in the community about genetically modified food and other products as well. If the government is not prepared to change this suggestion and give the regulator objective independence, then this legislation is worthless. People are going to say, ‘We’ve been waiting for some regulation and legislation for a long time.’ We have. But we would simply be pulling the wool over the eyes of the Australian people if we accept something that is totally inadequate and tells the people of Australia that we have a regime in place that actually looks after their interests in this matter when it may not—and I would argue that, unless changes are made, it would not. We could get the dangerous situation where products, crops and research are approved which are dangerous to the environment or to health and which should not have been approved under the regime which is being proposed. We are talking about very serious issues, and I cannot understand why we have not waited for the Senate committee report before trying to put legislation through this House on these issues.

One of the issues with genetically modified food—it has been mentioned by other speakers but it is of some concern to me—is how much control we really have in this area. Let us take an example. Suppose we approve a farmer to grow a particular genetically modified food in a certain area. What is to prevent cross-fertilisation from that food into another natural food? Would the regulator be in a position to check whether or not there has been such cross-fertilisation or whether there is a danger of such cross-fertilisation? Will we have the regulator checking whether or not farms have been organised in such a way that no such cross-fertilisation takes place? If, for example, a genetically modified vegetable is grown somewhere and a natural vegetable is grown nearby, who is to say there has not been cross-fertilisation? This is a very important issue when it comes to the question of labelling. You may recall that we had a big debate as to whether or not we are going to require full labelling of genetically modified food. Thank God we have agreed, through the Australia New Zealand Food Authority, that that is what we are going to do. But what happens when there are foods that get through the system because of cross-fertilisation or insufficient monitoring by the regulator which are genetically modified and are not labelled? What will people say in that situation? Unless this issue is dealt with, people will be sceptical about the adequacy of the regulator’s actions, and the whole confidence of the community will be undermined in a substantial and dramatic way.

I even have concerns about the adequacy of the labelling regime which has already been adopted. For example, if research is done for the implementation of genetically modified changes in animals, say in cattle or sheep that will be used for human consumption, how do we guarantee that the raw meat will be sufficiently identified to the public as genetically modified? How do we know that these modified foods are in fact safe for human consumption? It has been said that we should not be paranoid about genetically modified foods. I do not want to be paranoid, but a lot of the guarantees given by researchers in the past about such foods have turned out to be insufficient. The scientific establishment, as I think the honourable member for Reid mentioned, is now falling over itself to seize offers of research from major multinational companies to do genetically modified work. Fine, but that research has to be tested, especially when it concerns human consumption. It is one thing to develop a genetically modified product like, for example, one to produce better wool in sheep, but when it comes to producing food for human consumption we have to be extremely cautious. I remind this House of the assurances given by scientists about mad cow disease. They said that there was no way that mad cow disease could be transferred from ani-
mals to human beings, but then it was discovered that something like 47 people died from contracting a disease as a result of contact with meat from animals with mad cow disease.

The honourable member for Calare in his contribution has mentioned a number of very serious issues about the powers of the regulator and the way in which the regulation system is going to operate. In some areas there is an absence of regulation altogether, in other areas the system appears to leave it up to the subjective judgment of the regulator and in other areas the regulator can delegate powers—but delegated to whom and in what way? How are we to ensure objectivity in the judgments to be made? There is also the question of compensation for people who become ill from being subjected to genetically modified foods, despite guarantees by a company that the food is safe. What sorts of guarantees are going to be given?

This bill does not sufficiently cover this issue of compensation. What about companies that do not bother to report the fact that they are carrying out research on genetically modified organisms or that they are actually planting genetically modified food crops? The penalties under the legislation are not sufficiently steep for the kinds of dangers which exist in this kind of situation. I believe that the bill as it has been proposed is quite inadequate to the task. It ought really not to proceed through the House of Representatives at this time without the Senate report and other aspects of the matter being considered, such as whether or not the government intends to bring back a recommendation—which I am sure the Senate committee is going to look at very seriously—that the office of the regulator be given total independence rather than being dependent on funding which is likely to come from the very same organisations that are claiming licences in order to proceed with genetically modified activities.

Another matter is that the legislation depends very much on the cooperation of the state and territory governments. It is interesting that, although the federal government had the power to legislate for the territories in this case, it has left it up to them to reach agreement with the states. This is going to make the operation of the regime, even if a good one is achieved in the House of Representatives and in the Senate, very difficult if another regime has to be negotiated with state and territory governments which will be under substantial pressure from a number of corporations to adopt actions in relation to genetically modified foods and in other areas. So I wonder whether in fact we will ever get to a point of agreement unless we actually have an independent regime. Why not have a regime that is funded by the states and the federal government, for example? Why not have that rather than relying on self-funding from fees that will be paid by the very same people claiming licences in relation to this matter? The interests involved in this issue are enormous. Not millions, but billions of dollars are at stake in investments by corporations that want to quickly move to genetically modified foods without sufficient research and sufficient guarantees that those foods are in fact free of hazards to human health.

Because there is this billion dollar industry, we should be careful. We should be putting into place a strong, independent regime to protect safety, health and the environment in relation to these genetically modified organisms. We should be aware that in the past scientists who should have known better have given to many governments and many countries guarantees about health issues which have not been sufficient. That was in the past. Now, with this new regime of genetic engineering, what is at stake is worth many millions of dollars more than was the case before. The temptation will be there for people, including members of the scientific community, to clear organisms in this way. This bill should not be passed at this time. (Time expired)

Dr LAWRENCE (Fremantle) (10.08 p.m.)—In wandering the byways of the Internet and landing on a site called ‘Wired’, I was stunned to discover a sombre piece by Bill Joy, who is a well-known cofounder and chief scientist of Sun Microsystems. I was surprised, because it is a cautionary tale headed ‘Why the future doesn’t need us’, in
which Joy explores the ways in which the most powerful 21st century technologies—robotics, genetic engineering and nanotechnology—are threatening, as he sees it, to make humans an endangered species. Joy is not a Luddite. In fact, he is normally a technology enthusiast. In his thoughtful essay, however, he reminds us of the fact that many of the systems with which we are tinkering are ‘complex, involving interactions and feedback between many parts’. He says:

Any changes to such a system will cascade in ways that are difficult to predict; this is especially true when human actions are involved.

He ponders why more of us are not concerned about some of the likely consequences of these technologies on our lives and on our societies. He suggests that part of the answer lies in our attitude to the new—that, as he puts it, ‘in our bias toward instant familiarity and unquestioning acceptance’, we adapt all too readily in fact. Joy argues that we are almost inured to routine scientific breakthroughs and that this makes it harder for us to understand that these 21st century technologies—robotics, genetic engineering and nanotechnology—actually do pose a very different threat from those technologies with which we are more familiar. Joy reminds us that the new technologies share a dangerous, as he calls it, ‘amplifying factor’—that is, they can self-replicate. As he puts it:

A bomb is blown up only once—but one bot—robot, that is—can become many, and quickly get out of control. It may sound alarmist, but he argues his case very carefully. In Joy’s view, the risk of the newer technologies is the risk of substantial damage in our physical world. While he acknowledges, as I do, that these technologies offer great promise, he is also aware that, with each of these technologies, a series of small, individually quite sensible advances can lead to the accumulation of great power and great danger. He observes that the failure to understand the consequences of our inventions ‘while we are in the rapture of discovery and innovation seems to be a common fault of scientists and technologists’. We have seen plenty of examples, from the atom bomb onwards.

Joy cautions that while on science’s quest we do not always notice that the progress to newer and more powerful technologies has taken on a life of its own. He asks rhetorically whether, given the incredible power of these new technologies, we shouldn’t be asking how best we can coexist with them, embed them in our societies. And, if our own extinction is a likely or even possible outcome of our technological development, shouldn’t we proceed with caution, he asks.

It is in this spirit that I believe we should proceed in the regulation and monitoring of gene technology—with great caution and great care. We should be highly sceptical about the profit benefits and cautious in permitting widespread application of these technologies before they are fully tested. The Gene Technology Bill 2000 and related bills seek to reduce the risks that are posed by gene technology to our environment and to our health by providing an efficient and an effective regulatory system. Whether that is so or not remains to be seen. There are reasonable doubts, I think, that these bills will provide sufficient protection from the enthusiasts and corporations who seek to maximise their profits and have been shown in the past to be less than honest in identifying risks and complying with standards set.

In particular, the Labor Party has identified a number of problems with the legislation which require further examination and are at present receiving it in the Senate. These weaknesses include the question of whether the measures in the bill to achieve its object are actually adequate, particularly in relation to the environment, to the role of the environment minister and to the provision of third-party appeals for decisions. We ask, too, whether the proposed structure and the assessment processes are actually efficient and effective.

I think it is important to question whether the proposed cost recovery and funding measures for the office of the Gene Technology Regulator are appropriate, and whether
state and territory opt-out of the regulatory framework should be allowed. I know there are a couple of states, my own included, that will wish to opt out of these provisions. They want GM free agriculture. The conservatives, the Labor Party and the Greens in Western Australia are all pretty much agreed on this point. There is also the question of how much information should be made available to the public. I will await with interest the results of the Senate committee’s deliberations. But I am particularly concerned about whether the bill will protect our environment and ensure that our agricultural products will be attractive in a market which is increasingly resistant to genetically modified products, particularly food. We need to be aware of that.

Much, of course, is made of the alleged benefits of genetically modified crops. However, this is where I think we do need to exercise caution and read the literature that already exists, as well as doing more research. A couple of researchers, Altieri, of the University of California, Berkeley, and Rosset, of the Institute for Food and Development Policy, Oakland, California, have succinctly outlined many of the fallacies in the arguments put forward by the biotechnology enthusiasts. They are typical of some of the well trained sceptics. In an article entitled ‘Ten reasons why biotechnology will not ensure food security, protect the environment and reduce poverty in the developing world’—all of which claims have been made—they capture the reasons why caution is needed in the application of gene technology, particularly to agriculture. They are cautions we should well heed. They indicate that biotechnology companies and their acolytes often claim that genetically modified organisms are essential scientific breakthroughs needed to feed the world, to protect the environment and to reduce poverty in developing countries—grand claims.

As the authors point out, this view rests on two critical assumptions, both of which can be shown to be flawed. The first is that hunger is due to a gap between food production and human population density or growth rate. The second is that genetic engineering is the only or the best way to increase agricultural production and meet future food needs. The Altieri-Rosset article challenges the notion that biotechnology is a ‘magic bullet’—a solution to all of agriculture’s ills. They expose very clearly the misconceptions surrounding these underlying assumptions. I will go through some of their 10 reasons. First, they demonstrate that there is no relationship between the prevalence of hunger in a given country and its population. You only need to look at a map of the world to see that for every densely populated and hungry nation there is a sparsely populated and hungry nation. As they clearly show, and as others have too, the world today produces more food per inhabitant than ever before—more, indeed, than is necessary. Enough is available to provide 4.3 pounds of food to every person every day, 2.5 pounds of grain, bean and nuts, about a pound of meat, milk and eggs and another pound of fruit and vegetables. The real causes of hunger are poverty, inequality and lack of access. Too many people are too poor to buy the food that is available—but which is often poorly distributed—or they lack the land and resources to grow it themselves. There is not too little food, but it is in the wrong places.

Second, they are very sceptical about the claim that innovations in agriculture are absolutely necessary to save us all. In fact, those innovations have more often been driven by profit than by need. The real thrust of the genetic engineering industry is not to make Third World agriculture more productive but rather to generate profits. I am not surprised by that. These are private enterprise companies making money for their shareholders. The authors illustrate this by reviewing the principal technologies of the market today—and others have done similar work. These two technologies are the herbicide resistant crops such as Monsanto’s Roundup Ready soya beans—seeds that are tolerant to Monsanto’s herbicide Roundup—and Bt crops that are engineered to produce their own insecticide. In the first instance, the goal is clearly to win a greater herbicide market share for the Monsanto’s proprietary product, for Monsanto’s profit. In the second, it is to boost seed sales at the cost of damaging the usefulness of a key pest management product that is relied upon by many
organic farmers. These technologies also intensify farmers’ dependence on seeds protected by so-called intellectual property rights and they conflict directly with the age-old rights of farmers to reproduce, share or store seeds. For many it is clearly a backward step. Increasingly, corporations like these require farmers to buy companies’ brands of inputs and forbid them from keeping or selling seed. They prosecute them when they do so in the United States.

Altieri and Rosset’s third reason—and again there is substantial literature on this—is that the integration of the seed and chemical industries is accelerating the costs. Rather than reducing costs it is making it more expensive, delivering significantly lower returns to growers. In the United States this year, there seems to be less planting of genetically modified crops, perhaps for that reason. Companies developing herbicide tolerant crops are trying to shift as much of the per acre costs as possible from the herbicide onto the seed, via seed costs. In the United States the costs had escalated very substantially. A fourth reason they give for being sceptical is that a lot of recent experimental trials have shown that genetically engineered seeds do not increase the yield of crops. This is one of the big claims—that it increases the yield—and yet a recent study in the United States shows that 1998 yields were not significantly different in engineered versus non-engineered crops in 12 out of 18 regions tested. Research has also shown that glyphosate tolerant cotton showed no significant yield increase in either region where it was surveyed. This was confirmed in another study examining more than 8,000 field trials, where it was found that Roundup Ready soya bean seeds produced fewer bushels of soya beans than similar, conventional breed varieties. There is a lot of evidence of this kind, and I suggest that all members have a good, hard look at it before we all engage on large-scale agriculture of genetically modified crops.

Another reason we should be sceptical is that a lot of leading companies are engaged in a massive effort to plant these transgenic crops around the world, with more than 30 million hectares in 1998, without any proper advance testing of the short-term or long-term impacts on human health and ecosystems. In the United States, for instance, the private sector pressure led the White House to decree that there was no substantial difference—to simply decree it—between altered and normal seeds. Confidential documents that were later made available to the public showed that the authorities’ own scientists did not agree with this determination. They were clearly very concerned, but that was never made public. A lot of scientists from all over the world—and they are not all Luddites, they are not all opposed to these technologies; they are often people working in the field—are concerned that the large-scale use of transgenic crops poses a series of environmental risks and we should be aware of all these. For instance, the use of herbicide resistant crops undermines the possibilities of crop diversification. There is a potential, as I mentioned, for herbicide re-
sistant varieties to become serious weeds in other crops.

All of these problems have been identified by scientists working in the field and there are many that we simply know nothing of. We would be foolhardy to rush into this field without care, without regulation and without knowledge. As Bill Joy indicated in his article, we can become blind to the risks that we face when we become enthusiasts for a technology which carries risks as well as benefits. This legislation will go part of the way in solving that problem, but I believe stops well short of what is needed in this community.

Debate (on motion by Mr Entsch) adjourned.

ADJOURNMENT

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

Liberal Party of Australia: Senator Brandis

Mr EMERSON (Rankin) (10.23 p.m.)—I draw the attention of the House to an advertisement in a local newspaper in my electorate of Rankin, the Albert and Logan News, of 16 August this year which says:

Liberal-minded Australians are invited to join the Liberal Party branches located in the federal seat of Rankin: Acacia Ridge to Forest Lake, south to Greenbank, east to Slacks Creek, north to Sunnybank Hills.

This advertisement was authorised by the state director of the Liberal Party, Graham Jaeschke. I have here a map of the seat of Rankin. The first two branches mentioned in this advertisement inviting people to join the Liberal Party are at Forest Lake in the seat of Oxley and Acacia Ridge in the seat of Oxley. The Liberals have a lot of trouble finding the seat of Rankin, except of course when it comes to branch stacking. On that matter, the newly arrived Senator Brandis is a world-famous branch stacker. It is well known that Senator Brandis needed 10 extra FEC votes to ensure his preselection into the Senate. That preselection was delayed conveniently by colleagues, friends and allies of his faction in the Liberal Party until they were able to hive off members from the neighbouring Moreton FEC to form a Rankin FEC. Those members were hived off, a Rankin FEC was formed, the 10 members were duly elected, and I am reliably informed that they all voted for Senator Brandis. So he became the endorsed candidate for the Senate and now he is in the Senate.

Then, unbelievably, the Liberal Party put Senator Brandis in charge of an antistacking committee. As a colleague of mine in the state parliament said, it is like putting Christopher Skase in charge of the Spanish extradition laws. I refer to two newspaper articles—I could refer to many more—and the first is an article on 14 August in the Courier-Mail headed ‘Tamper claim mars poll’. It says:

Former Queensland Liberal president Bob Tucker was elected yesterday to a powerful position within the party, but not without controversy. Mr Tucker is in the western suburbs faction of the Queensland Liberal Party. The article continues:

Mr Tucker, new chairman of the influential electorate council for the federal seat of Ryan, was elected alongside outspoken rival Michael Johnson, who will be his senior vice-chairman.

But it is understood Penny Behan, who stood for chairman on the ticket with Mr Johnson, will challenge the result after vote-tampering suspicions were voiced.

Penny Behan is in the Santoro-Carroll faction of the Liberal Party. The article continues:

Mr Johnson—known for his ill-fated bid to unseat Ryan MP and Defence Minister John Moore earlier this year—said he was ‘intensely disappointed’ other members of his ticket were not elected.

There is a second article in the Australian of 15 August headed ‘Vote-rigging claim in Moore’s Lib branch’, and it says:

The Queensland Liberal Party faces vote-rigging allegations, with about a dozen ballot papers quarantined from the weekend’s battle for control of Defence Minister John Moore’s Ryan federal electorate council.

Penny Behan—who lost the ballot ... yesterday threatened legal action over the electorate.

In her letter to the state director of the Liberal Party, the authoriser of the advertisement in my seat of Rankin, Ms Behan’s law-
yers warned Graham Jaeschke against destroying the ballot papers. As stated in the article, the letter says:

‘Approximately one dozen ballot papers have been altered and this fact has been verified by two party vice-presidents who where also present at the counting,’ the letter said. ‘We advise that these ballot papers could potentially be evidence in any future court action.’

State Liberal vice-president Robin Fardoulis, who was present at the ballot, yesterday confirmed he had asked for the party’s constitutional rules committee to examine the votes.

I hope that that is not the same committee—the antistacking committee—that is being chaired by Senator Brandis. Senator Brandis came into the Senate very recently. In his maiden speech, he spoke very nobly, using words such as ‘spirit’, ‘civil liberty’, ‘free society’ and ‘equality of opportunity’ and, one day later, he started dropping buckets. I say to Senator Brandis: if it lasts only one day, then there is probably not much in the spirit and in the heart. Surely as a senator he has something to contribute to this place instead of coming into the place and dropping buckets on people. Senator Brandis is in charge of this antistacking committee, which I am advised has never met—and I do not think people should hold their breath too long for it to meet. Senator Brandis is going for the world champion, Olympic gold branch stacking medal, and I understand he is an early favourite. (Time expired)

Child Abuse

Dr NELSON (Bradfield) (10.28 p.m.)—Firstly, I do not wish to congratulate the member for Rankin for what he just said. If any party is an expert on branch stacking, it has to be the Labor Party. However, I commend the member for Rankin and the member for Hughes for their initiative in establishing Parliamentarians Against Child Abuse and Purple Ribbon Day, which occurred in July—I did not have the opportunity to speak to that at the time. Also, next week we recognise child abuse in a national week for the prevention of child abuse and neglect. George Eliot said:

Childhood is only the beautiful and happy time in contemplation and retrospect: to the child, it is full of deep sorrows, the meanings of which are unknown.

For at least 103,000 children whose suspected child abuse and neglect was notified to Australian authorities last year, such would most certainly be the case.

Some things never leave your memory, and I must say that over the years I have had, shall I say, the opportunity to be exposed to some of the worst elements of human behaviour in relation to child abuse. I remember working with a crisis intervention unit in Adelaide and attending one incident where a stepfather had raped his six-year-old stepdaughter while she was being restrained by her mother. I also recall as a young doctor visiting the home of a woman who had found that her eight-year-old daughter had been sexually assaulted by her own father. There are other forms that abuse can take also. In some of the more privileged parts of Australia, you often see parents who materially indulge their children but leave them morally abandoned. I think also other parents project onto their children, rather aggressively at times, their own unfulfilled ambitions. There are children who feel especially pressured to remain in the education system, to fulfil the ambitions of their parents, and in some cases this tragically ends up in self-harm and, in a number of cases in my electorate, in suicide.

About one-third of cases substantiated each year are of emotional abuse; 30 per cent physical abuse; a quarter, neglect; and about 16 per cent, sexual abuse. One disturbing aspect of this—I know the member for Leichhardt especially is aware of this—is that indigenous children, while comprising only three per cent of the population, account for about eight per cent of substantiated cases of abuse and neglect. Broadbent and Bently in 1997 documented that 13 per cent of cases of neglect involved indigenous children. One of the things that seems to be lost on the advocates who are quite genuine in their concern for indigenous Australians is that the death rate since 1990 for Aboriginal and Torres Strait Islander people in domestic violence incidents is 30 per cent higher than it has been for indigenous people in custody.

Violence against children and violence against women is indefensible, whether it be
in the name of culture or of privacy. The extent to which we as a society protect and nurture the idealism of our children and protect their vulnerable transition to adulthood is a critical measure of a caring society. Yet the public response to child sexual abuse and physical and emotional abuse is fragmented, poorly coordinated and generally not well-informed—tragically so when you consider the long-term effects, which include eating disorders, self-harm, suicide, nightmares, drug and alcohol abuse and intractable psychiatric and psychological disorders. There is still no good national child sexual abuse database but we do have different sources—the police, courts, correctional services, protective services, health care providers, victim services and community agencies, all of whom are put together to deal with these sorts of things.

The final comment I would like to make on one of the issues raised in the parliament today, particularly with the member for Leichhardt being here, is that, if Telstra and some of these companies really want to impress me, I would like to see them bring a couple of Aboriginal and Torres Strait Islander kids from remote parts of Australia to the Olympics to see Cathy Freeman run.

United Nations: Committees

Dr THEOPHANOUS (Calwell) (10.33 p.m.)—Today’s events, which have seen three senior government ministers announcing a cessation in cooperation between Australia and United Nations committees, especially those related to human rights, refugees and Australia’s indigenous people, will be remembered as the dark day in Australia’s history. While content to criticise the likes of Indonesia and Burma for their failure to live up to international expectations, it is outrageous and deplorable that the Australian government can then discredit and denounce the validity of the United Nations bodies when they choose to highlight concerns in Australia.

In a press statement released today by the Minister for Foreign Affairs, the Attorney-General and the Minister for Immigration and Multicultural Affairs, it was claimed that the government’s decision was ‘to ensure that the office of the UNHCR and its Excom maintain their focus on their primary objectives’. What are these primary objectives, according to the UNHCR’s mission statement? Consider the following opening paragraph, which reads:

The UNHCR is mandated by the UN to lead and coordinate international action for the world-wide protection of refugees and the resolution of refugee problems. UNHCR’s primary purpose is to safeguard the rights and well-being of refugees.

How could the government possibly claim, especially in the light of all the protests that are taking place in relation to its current refugee policies, that Australia has no refugee problems?

The press statement also challenges other UN treaty committees. It challenges, for example, the Committee on Human Rights, which recently reported against Australia’s mandatory sentencing laws in relation to indigenous people but also condemned the mandatory detention of refugees as a policy inconsistent with United Nations provisions. We are in a situation now where we openly renege on our international commitments as guaranteed by successive governments. But that is not enough. We now have three senior ministers stand up on a platform and think they are in a position to reproach the United Nations for daring to criticise Australia’s record on human rights. The Attorney-General was on television tonight bragging about how wonderful Australia’s democracy is and how we could not possibly have any breaches of human rights. This is a nonsense when you consider all of the breaches which the United Nations committees have identified in the last few years in relation to Australia. They were actually exemplified tonight on the ABC’s 7.30 Report, when these breaches were detailed.

So we have a situation where the government has lost any credibility in relation to its foreign policy, going around the world talking about human rights in other countries when it is not prepared even to accept any kind of criticism with respect to its own human rights record. Let me say there are serious problems when we have a situation where there are 3,500 people, including more than 400 children, in detention centres in this country. Where there have been again and
again recommendations from the Refugee Council of Australia, Amnesty International and other bodies as to how to deal with this matter, what do we have from the government? Instead of adopting an alternative process that can deal with this issue, a process which would be consistent with the determinations of the United Nations, we have an attack on the United Nations itself and an attempt to pretend that the problem does not exist or that these serious issues do not face us as a nation.

If we are going to be an open and representative democracy, we have to be prepared to accept this kind of criticism. But what did the Minister for Immigration and Multicultural Affairs do today? He threatened the funding of the Refugee Council of Australia because the council had the gall to suggest that an alternative system of refugee protection may be possible in this country, as it is in many other countries. Australia is the only country in the Western world that has a policy of mandatory detention of refugees. We ought to have a reasonable debate on this issue in this parliament rather than simply condemn organisations such as the churches, the Refugee Council of Australia, Amnesty International and other bodies opposed to the mandatory detention policy. (Time expired)

Science and Innovation

Mr NAIRN (Eden-Monaro) (10.38 p.m.)—‘Innovation is the driver of every modern economy. It is the key to competitiveness, employment growth and social wellbeing. ... The cycle of innovation must be fed by new ideas and basic knowledge and be capable of being transferred and accepted by end-users. ... Australia must be ... committed to developing an innovation process for pursuing scientific advances and implementing them successfully.’ I have just quoted from the discussion paper ‘The chance to change’, distributed recently by the chief scientist, Dr Robin Batterham. I would encourage all members to get a copy of this paper and to read it carefully. I should emphasise that this discussion paper is just part of the government’s strategy to develop a better climate for the promotion of science and innovation.

The other important part of this strategy will progress out of the innovation summit held earlier this year. The implementation group established as part of the summit’s outcomes will be reporting to Minister Minchin tomorrow, and I will be looking forward to studying its report. Another aspect of the government’s strategy in this regard, an aspect which has not been adequately acknowledged, is its commitment to a number of action agendas. I have been pleased to work closely with the minister and my former industry in proposing an action agenda for the spatial data industry, and I hope to say more on this at a later date. All of these things packaged together mean that the government is heading in the right direction with respect to science and innovation.

However, tonight I want to urge the government not to drop the ball on this. I feel that there has not been sufficient emphasis on science and innovation within government, and I feel that to be the case not only with the current government but also with previous governments. That tends to fit with what has been happening out there in the business world as well—I will come back to that in a minute. Part of the problem with governments of all persuasions is that traditionally there have not been too many people at a political level with a science background. There are plenty of political scientists but not many practical scientists. Those of us who do have a scientific background clearly need to make more noise because of our small numbers. Similar problems lie within the business community, particularly at the corporate level. With shareholder pressure to produce good bottom lines, even companies which operate in the science, engineering and technology sectors have an overabundance of banking, accounting and legal people on their boards. This has to change.

I fear that the very disappointing business R&D investment figures which were the subject of today’s matter of public importance debate in some way can be blamed on this general lack of scientific representation on company boards—which brings me back to where I started, and that is the discussion paper by the chief scientist. While I believe it
is an excellent paper with many relevant points and some challenging recommendations for government. I feel that more needed to be said about business commitment to innovation. In particular, when dealing with the theme of culture the paper concentrates at the academic end of R&D—which is fine in itself but R&D should not be limited to that area. A significant part of the R&D investment problem in business is the culture problem, particularly in the small and medium business sector. It is not as marked in the larger corporations, which are more influenced by global factors. While enhanced tax incentives would provide some help in this regard, they are by no means the only solution. I hope that out of the implementation group’s report, and out of subsequent feedback and reports emanating from the chief scientist’s paper, a variety of options come forward for government consideration. Those options should include changes to tax incentives but should probably also include some form of incremented incentive which may, for example, be based on business size. The other aspect missing from the discussion paper is commentary in relation to businesses relationships with tertiary institutions. This is a great failing in Australia when compared with our competitors—but I will come back to that topic on another occasion.

There are some great innovative companies within my electorate of Eden-Monaro, so I propose to invite a number of the people who run those businesses to come together for what I guess could be called a local summit on science and innovation. I would hope that they might assist me to comment on both the chief scientist’s discussion paper and on the implementation group’s report on the innovation summit. With a rapidly changing economic base in so many parts of my electorate, science and innovation will play a major role in defining the new economy which will employ our young people in the future and provide for our socioeconomic growth. I plan to have a part in making sure that that happens, and I intend to have more to say on this in coming weeks and months.

Liberal Party of Australia: Senator Brandis

Mr RICOLL (Oxley) (10.43 p.m.)—It is indisputable that the declining standing of politicians is due in large part to the perception in the community of hypocrisy and double standards, a perception that manifests itself in the course of the political process. All parties and certain elements within them have, to varying degrees, been guilty of contributing to this decline in public opinion. A great deal needs to be done to restore public trust and confidence in our parliamentary system and political process, and we all have a duty to play a part in this. Whenever events occur and allegations are levelled at either side of politics, it undermines the efforts that we all make on a daily basis. This has been the case with the publicity surrounding the events in the Labor Party in Townsville some years ago, events which resulted in the imprisonment for electoral fraud of a former Labor Party candidate. The events in the case are indefensible but are not isolated to just one party. But some good has come out of it: the Labor Party in Queensland has put in place the toughest possible rules and procedures to prevent branch stacking and all the sordid behaviour which accompanies these so-called tactics. The Queensland branch of the Australian Labor Party now has in place party rules and procedures which are the toughest of any branch of any party. In fact, at the recent ALP national conference held in Tasmania the tough new rules adopted in Queensland were also taken up by the national organisation. They must be in place in every state by 30 June 2001. Our political opponents would do well to glance over these new rules, have a good read of them and maybe take them back to their party machine. They could adopt such rules themselves; there is nothing stopping them from doing this.

It is hardly surprising that the Liberal and National parties have sought to make political hay out of the events in Townsville that have recently been reported. But when politicians or a political party seek to assault their opponents for undemocratic activities, like branch stacking and rorting, they ought to look in their own backyards before doing...
so. They should actually have a look at the motivation, double standards and damage they are doing to their own side. More importantly, they should ensure that, if attacks are to be made, they are made by someone with some skerrick of credibility in these matters. It was for this reason that I was astounded by the attack made in the Senate by the coalition’s fresh-faced senator, George Brandis, who was elected to the Senate only a couple of months ago. Of all the parliamentary representatives on the poles of the political compass—Labor, Liberal, National or whatever—there is surely no-one with less credibility on this issue than Senator George Brandis. The speech by Senator Brandis was shameless. Not only was it one of the most opportunistic but also it was one of the most hypocritical speeches ever made by a representative of the Australian people.

I have read with interest some comments made in the Queensland parliament about Senator Brandis. He was referred to as the ‘godfather’ of branch stacking in the Queensland Liberal Party. As they say, Senator Brandis has form. I think it is important that the activities of Senator Brandis are placed on the record. His record as a senior official in the Queensland Liberal Party is one he should be thoroughly ashamed of. If you thought the problems the member for Ryan has experienced in his preselection were a recent affliction, you could be forgiven for being mistaken. The extraordinary events that have taken place in the Ryan electorate have their roots many years ago. About five years ago, the Queensland Young Liberals had an investigation into branch stacking, voting irregularities and membership fraud. The report was scathing, unearthing systemic fraud, branch stacking and rorting—false names, false addresses, phoney memberships and plenty more. Once this was out in the open there were a select few that tried their best to discredit the report and protect the culprits. It is no surprise that the person leading this charge was none other than George Brandis.

The then Mr Brandis was definitely in on the action—he used Young Liberal rotters to stack the annual meeting of the Liberal Party in Ryan and got himself elected as the Ryan area chairman. It was during Mr Brandis’s term as the Ryan area chairman that Mr Michael Johnson raised his ugly head. We all know of him and of his pursuit to stack branches in Ryan to do the numbers on the sitting member, the Minister for Defence, the Hon. John Moore. But the plot thickens: not only did Mr Brandis fail to stop the ethnic branch stacking in the Ryan electorate but he actually encouraged and defended it, even after he was made the chairman of the Liberal Party’s Constitution and Rules Committee last year. He has since shamelessly abused this position to protect Mr Johnson and ethnic branch stackers in the seat of Moreton.

His participation in these activities has been far from altruistic. Earlier this year, we all discovered just why Senator Brandis was so enthusiastic about protecting the ethnic branch stacking in Ryan and Moreton. On the parting of the discredited Senator Warwick Parer, Brandis was anointed as the Santoro-Carroll candidate to replace him. When it came to elect the 10 Ryan delegates to the Senate selection, Mr Johnson turned up with more than 100 Taiwanese and delivered 10 votes for the then Mr Brandis. When it seemed Mr Brandis might still be short, one of the Taiwanese branches in Moreton was overnight—by chance—purely moved into Rankin, where the Liberal Party had almost no members, to form a Rankin FEC and give Mr Brandis the numbers he needed. This scandalous abuse was sanctioned by the Constitution and Rules Committee, which Senator Brandis still had effective control over.

Senator Brandis won the party preselection thanks to ethnic branch stacking and the rorting and manipulation of the process in the Ryan and Rankin electorates. The people of Queensland deserve to know that the nomination of George Brandis was tainted. He was chosen through a corrupt process by ethnic branch stacking at its worst. Questions were of course asked by the member for Ryan and by other victims, like the member for Moncrieff, and the Liberal Party set up a committee to review its constitution. (Time expired)
Member for Calare

Mr ST CLAIR (New England) (10.48 p.m.)—It is interesting to follow the member for Oxley as I rise tonight to talk about hypocrisy and double standards. Today in question time the member for Calare asked the Prime Minister about Olympic hospitality, among other things, including in his question the following:

Does the government concede that, similarly, companies offering games packages, including air fares, accommodation, hospitality, tickets and gifts to members of parliament, do so to advance their corporate interests?

After question time he went further. He went on Melbourne’s Radio 3AW and said:

I think the acceptance of a freeby from a corporation is the one that particularly concerns me ... There must be influence involved in all of this.

He went on to say:

... it is double standards all over the place with this, and I think it’s a totally indefensible position to stand there and say that ...

... the moment you allow yourself to be manipulated by a corporation, many of whom have enormous influence in the process ... democracy is being compromised as are your elected representatives.

An examination of the register of the pecuniary interests of the member for Calare reveals a letter that the member has provided as part of a declaration. The letter, dated 30 March 2000, says:

Dear Peter

This letter is accompanied by a limited edition print of part of the Little Boomey Vineyard as a token of our gratitude for your support and interest which has been greatly appreciated by all concerned.

We also sincerely appreciated your interest in attending the Opening of the Winery and hope you enjoyed the day. I know the Directors and senior executives of the Company rate the day as successful based on the response to our invitation.

Once again many thanks for your interest and we look forward to a continued rewarding and prosperous relationship.

Mr Ronaldson—A what?

Mr ST CLAIR—It says:

... a rewarding and prosperous relationship.

Yours Sincerely

Peter C Lucas
Executive Chairman

The member for Calare also declared another document that reads in part:

Capture Australia Photography.

Congratulations on your Limited Edition Print.

Little Boomey Vineyard.

It is with great pleasure that we present you with this stunning limited edition print, photographed and signed personally by Paul Thomas.

A Certificate of Authenticity—of which I happen to have a copy here—is attached which registers you as the owner of this valuable investment.

The member for Calare made a declaration confirming that he did indeed accept a gift from a company—and I am sure with all propriety—from Cabonne Ltd, and he signed a declaration to this effect on 20 April this year, just four months ago. The Little Boomey Winery is in the member for Calare’s electorate. As the owner of the winery, the corporation, Cabonne Ltd, has its head office in Sydney and conducts business in the member’s electorate. Telstra also has its head office in a major capital city and conducts its business in the member for Calare’s electorate. It is important for this House to understand that that gift was kept despite ‘looking forward’ to a close relationship and to keeping up a relationship that is prosperous, as was described. It is very easy to be righteous when you are impotent. It is very easy for Independents out there to loudly criticise the federal government and my National Party in particular for sticking up for our country electorates and delivering this significant funding representation to the electorate, without necessarily having the hypocrisy and the double standards which Independents bring to this place.

Austin and Repatriation Medical Centre: Redevelopment

Ms MACKLIN (Jagajaga) (10.53 p.m.)—It is with great pleasure that I rise tonight to say thank you on behalf of the people of the north-eastern suburbs of Melbourne, including all of those who live in the electorate of Jagajaga, to the Bracks Labor government for the announcement today of a huge new redevelopment at the Austin and Repatriation
Medical Centre. It is a $320 million announcement, the biggest public hospital project that has ever been undertaken in Victoria. It will combine the redevelopment of the Mercy Hospital for Women, which will move out of East Melbourne onto the Austin hospital site.

It will mean a state-of-the-art hospital for the people of the north-eastern suburbs of Melbourne, and 470 new acute beds will be built on the Austin site right in the heart of Heidelberg. As I said, the Mercy hospital will also come out, and that will give us 128 adult beds, 60 neonatal cots and 17 delivery suites—once again an outstanding development really bringing the services of the Mercy hospital out where babies are being born. There is going to be a new emergency department and a new purpose built mental health facility containing 30 beds and with a secure ground floor entry point. It will be an outstanding development for the people of these suburbs.

In addition, the government will support a $30 million training and research precinct, with up to $15 million of public funds matching privately raised capital. The University of Melbourne’s teaching department of medicine do an outstanding job in this hospital, and they will be looking, I am sure, to support from the federal government so that they can make a contribution to this outstanding training and research precinct. The repatriation site, also part of the Austin and Repatriation Medical Centre, is also going to be upgraded with a new focus on ambulatory and subacute services. An amount of $100,000 will be spent immediately to upgrade the veterans’ mental health facility, something that is urgently needed on that site.

For the veterans’ community, there are a number of places of great significance at the Repatriation Medical Centre. These include the Gallipoli gardens, the memorial rose garden, the remembrance garden and the Rats of Tobruk memorial garden—all of these places will be protected by the redevelopment to make sure that these very special places in the hearts of our veterans stay that way. Veterans groups will certainly be consulted right throughout the redevelopment, and I am sure they will see this redevelopment that the Bracks Labor government has committed itself to as an outstanding commitment to the needs of the veterans’ community in the north-eastern suburbs in particular.

This is a long overdue development. As some in this House will know, we have had a major struggle against privatisation of this outstanding teaching hospital. Local people have fought hard and long against the Kennett government’s proposal for privatisation of this hospital. Today their hard work was rewarded by Steve Bracks, the Premier of Victoria, announcing that not only will this hospital stay as a public hospital—as, of course, it always should be—but also a major injection of funds, $320 million, will see that hospital rejuvenated in the way it should be.

We also have outstanding staff at the hospital who have been put under enormous pressure over the last six years with the privatisation threat to the future of their hospital. So today is also a great day for the hard-working staff at the Austin and Repatriation Medical Centre, who have put up with years of neglect by the Kennett Liberal government and who can now look forward to an outstanding redevelopment of this world-class teaching hospital. I just say on behalf of all the people in the north-eastern suburbs and all the fantastic staff at the hospital: this will be a great redevelopment. It is a very exciting day for the people in my electorate. I reiterate my thanks to the Labor government, which has delivered on its promises for a teaching hospital. (Time expired)

Cook Electorate: Surf Life Saving Clubs

Mr BAIRD (Cook) (10.58 p.m.)—I rise tonight to commend the four surf life saving clubs in my electorate—namely, Wanda Surf Life Saving Club, Cronulla Surf Life Saving Club, North Cronulla Surf Life Saving Club and Elouera Surf Life Saving Club. All four have had a tremendous season. They have just had their annual reports and are looking forward to the new summer. In all of the Bate Bay area which is covered by the surf clubs there were no lives lost last season, which was an outstanding achievement.
Wanda Surf Life Saving Club was named the surf club of the year, an outstanding performance. It was the best patrolling club in the district, the best club in the branch and had excellent attendance at all patrols with many members being awarded the 100 per cent patrol attendance award. The club again trained a large contingent of Japanese lifesavers who took back 15 bronze medallions and 17 advanced resuscitation awards to Japan.

At Cronulla Surf Life Saving Club the figures were 127 people rescued, 15 preventative actions taken and 46 club members awarded the 100 per cent attendance award. The club won every Sydney branch carnival point score, culminating with the branch championship point score where the club won 21 gold, 18 silver and 19 bronze medals. Cronulla led all New South Wales clubs in carnival point scores at the Australian Championships. It also won seven of the 19 possible Sydney branch excellence awards.

North Cronulla Surf Life Saving Club had 918 preventative actions to alleviate dangerous situations and performed 80 rescues. There were 596 hours of patrol, which averages out to 60 personnel patrol hours per club member. They were also granted a long-term 21-year lease encompassing the surf club, swimming pool and other areas. The Elouera Surf Life Saving Club was an outstanding club with their special surf clinic, which was a great success.

Mr SPEAKER—Order! It being 11.00 p.m., the debate is interrupted.

House adjourned at 11.00 p.m.

NOTICES

The following notices were given:

Dr Kemp to present a bill for an act to regulate education services for overseas students, and for related purposes.

Dr Kemp to present a bill for an act to repeal the Education Services for Overseas Students (Registration of Providers and Financial Regulation) Act 1991, and for other purposes.

Dr Kemp to present a bill for an act to amend the law relating to migration, and for related purposes.

Mr Anthony to present a bill for an act to amend legislation relating to child support, and for related purposes.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Privacy Amendment (Private Sector) Legislation
(Question No. 1485)

Mr McClelland asked the Attorney-General, upon notice, on 9 May 2000:

Do the provisions of the Privacy Amendment (Private Sector) Bill apply to the activities of State-owned corporations listed in Schedule 5 to the State Owned Corporations Act 1989 (NSW) such as Energy Australia, the New South Wales Lotteries Corporation and Sydney Water Corporation; if, so, which provisions; if not, is there anything preventing State-owned corporations such as these from making improper use of Australians’ personal information.

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

The Privacy Amendment (Private Sector) Bill 2000 will apply to ‘organisations’ as defined in the Bill. State or Territory authorities are generally excluded from the definition. Therefore, the State-owned corporations listed in Schedule 5 to the State Owned Corporations Act 1989 (NSW) would not be covered by the legislation. The Government decided that State and Territory government business enterprises should not be covered by the Commonwealth’s legislation unless they were corporations incorporated under the Corporations Law. This issue was the subject of consultation with State and Territory Attorneys-General.

There are provisions in the Bill to enable a State or Territory Government to have a Corporations Law corporation ‘opted-out’ of coverage by the legislation where it performs substantially public sector activities. Similarly, there is provision for a State or Territory Government to seek to have one or more of its instrumentalities ‘opted-in’ to the Commonwealth’s legislation if its functions are more of a private sector nature. There is a general regulation-making power for these purposes.

The issue of which standards for the protection of personal information should apply to NSW State-owned corporations - those in the Commonwealth or NSW privacy schemes - is a matter for the NSW Government to determine.

Department of Industry, Science and Resources: Commonwealth Funded Programs, Tasmania
(Question No. 1540)

Ms O’Byrne asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 11 May 2000:

(1) Does the Minister’s Department administer any Commonwealth funded programs for which community organisations, businesses or individuals can apply for funding in Tasmania; if so, what are the programs.

(2) Does the Minister’s Department advertise these funding opportunities; if so, (a) what print media outlets have been used for the advertising of each of these programs and (b) were these paid advertisements.

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

(1) Yes.

AusIndustry, a business unit within the Department, delivers a range of commercial incentives and information services designed to help Australian businesses become more innovative and internationally competitive. A summary of the programs is attached. Additional information is available from the AusIndustry website located at www.ausindustry.gov.au.

Other programs available through the Department include:

- APEC Market Integration/Industrial Collaboration Program
- Australian Spatial Data Infrastructure Partnership Grants Program
- Business Builders Program
- International Greenhouse Partnerships Program
Science and Technology Awareness Program
Regional Tourism Program
Regional Online Tourism Program
Technology Diffusion Program
Value Chain Management Program

(2) AusIndustry

The following paid print advertisements have been placed in the Tasmanian media since 1 July 1999:

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<th>Print media outlet</th>
<th>Program</th>
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<td>Hobart Mercury</td>
<td>Commercialising Emerging Technologies</td>
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<tr>
<td>Hobart Mercury</td>
<td>Cooperative Research Centres Round 2</td>
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<tr>
<td>Hobart Mercury</td>
<td>R&amp;D Tax Concession</td>
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<tr>
<td>Tasmanian Chamber of Commerce and Industry Business Reporter</td>
<td>Commercialising Emerging Technologies</td>
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APEC Market Integration/Industrial Collaboration Program: No. The program is relatively small and the cost of press advertising has not been warranted. Potential applicants are identified from departmental sources and invited to participate in the program.


Business Builders Program: Yes. Paid advertisements for the most recent round of the program appeared in the Weekend Australian, the Australian Financial Review, the Age, the Sydney Morning Herald and the West Australian.


Science and Technology Awareness Program: Yes. Applications for grant rounds are called by press release and placing advertisements on the Department’s website. In addition there is a direct mail out nationally to 1500 contacts (200 in Tasmania) with an interest in science and technology awareness.

Regional Tourism Program: Yes. Paid advertisements for granting rounds of the program are placed in major daily newspapers.

Regional Online Tourism Program: Yes. Paid advertisements for granting rounds of the program are placed in major daily newspapers.

Technology Diffusion Program: Yes. Paid advertisements were placed for funding applications in both local and national press as well as details being loaded onto the Department’s website.

Value Chain Management Program: No. Potential applicants are identified by project managers employed to implement the program.

Summary of Products and Services

AusIndustry is a business unit within the Commonwealth Department of Industry, Science and Resources. It delivers a range of commercial incentives and information services designed to help Australian businesses become more innovative and internationally competitive.

AusIndustry is assisted in its delivery to business by a series of independent, expert Boards. The Cooperative Research Centres, Pooled Development Funds, and Industry Research and Development (IR&D) Boards provide advice to the Federal Government and make decisions on funding support within individual programs.

The Industry Research and Development (IR&D) Board in particular, jointly administers the R&D Tax Concession with the Australian Taxation Office, and administers the R&D Start Program, the Innovation Investment Fund, the Renewable Energy Equity Fund, and the Commercialising Emerging Technologies Program.

The Board’s membership is drawn primarily from the private sector and its members’ qualifications and experience cover a wide range of commercial and technical areas in various industries.
Innovation

R&D Start, Grants and Loans

The R&D Start Program is a competitive, merit-based program which supports businesses to undertake research and development and related activities.

Total funding for the R&D Start Program is around $1 billion over eight years from 1998-99. It is expected that the IR&D Board will approve new grants and loans to the value of $180 million in the 2000-2001 financial year.

The R&D Start Program has five separate elements of funding:

- Core Start provides grants for R&D projects of up to 50% of project costs for Australian companies with an annual turnover of less than $50 million.
- Start Plus offers grants for R&D projects of up to 20% for companies with an annual turnover of $50 million or more.
- Start Premium offers additional repayable assistance for high quality R&D projects. The assistance 'tops up' grants received under either Core Start or Start Plus to a maximum of 56.25% of eligible project costs. Applicants are required to provide a repayment plan as an additional part of their application.
- Grants of up to $15 million are available for Core Start, Start Plus and Start Premium, however, they typically range from $50,000 to $5 million.
- Start Graduate also provides assistance to Australian companies, with less than $50 million turnover, to employ a graduate on a specific R&D-related project. The project is to be undertaken in collaboration with a research institution. Projects can be up to two years duration and the maximum grant is $100,000 (50% of eligible project costs).

Concessional Loans for the commercialisation of technological innovation are available to companies/groups employing fewer than 100 persons. Loans are for 50% of eligible project costs, with interest waived during the first three years of the project and then charged at 40% of the Commonwealth Bank Index Rate. Projects must be completed within three years and the loan repaid in the following three years.

All applications for financial assistance under R&D Start are assessed by the IR&D Board on a competitive basis.

Applications can be submitted to the relevant AusIndustry Regional Office at any time throughout the year. Committees of the IR&D Board meet regularly to consider projects, with smaller projects being considered every two weeks and larger projects every six to eight weeks.

R&D Tax Concession

The R&D Tax Concession was introduced in 1985 to encourage Australian industry to undertake more research and development.

The R&D Tax Concession allows companies to deduct up to 125% of qualifying expenditure incurred on R&D activities, when lodging their corporate tax return. Companies incorporated in Australia are eligible to apply.

The concession is the Federal Government’s principal incentive to enhance and increase the amount of R&D being conducted within Australia. It is broad-based and market-driven and supports much of the industry R&D in Australia.

The R&D Tax Concession is administered jointly by the IR&D Board, which is assisted by AusIndustry, and the Australian Taxation Office.

In order to claim the concession, companies must be registered with the IR&D Board and demonstrate that the R&D activities satisfy the statutory eligibility requirements.

There is an expenditure threshold of $20,000, however this is waived if the work is contracted to an approved Registered Research Agency.

Companies can also contract out R&D activities to other companies, or to approved Registered Research Agencies which have the expertise and facilities to undertake R&D on behalf of others.

There were over 3200 registrations for the R&D Tax Concession, spending $4.3 billion on R&D in respect of the 1997-98 financial year. Due to the retrospective nature of the Concession, this is the latest available information at the time of printing.
Cooperative Research Centres

Cooperative Research Centres (CRCs) are formal long-term collaborative arrangements between researchers in universities, Commonwealth and State Government research agencies, and research users, either in industry or the public sector.

CRCs aim to maximise the economic and social benefits of publicly funded research and development for the wider Australian community through formal long-term collaborative arrangements. Since the commencement of the Program in 1990, 72 CRCs have been established. There are currently 65 CRCs with program funding of $140 million per year, representing about one third of the resources available to CRCs. Industry has contributed more than $640 million to date, with additional pledges of $419 million over the next seven years.

A seventh CRC selection round is being held in 2000 with applications closing on 5 July 2000. The level of industry or user support is a significant factor in the selection of new CRCs. Further information on CRCs is available through the CRC website at: www.isr.gov.au/crc/index.html

Venture Capital

Innovation Investment Fund

The Innovation Investment Fund (IIF) commenced in 1998 and aims to develop a venture capital market for early-stage companies to develop technology-based firms that are commercialising R&D. Around $230 million in Government funding will be matched by private-sector investors on an up to 2:1 basis over a 10-year period. Total funding of more than $345 million will be managed by private sector fund managers who will make all investment decisions.

Renewable Energy Equity Fund

The Renewable Energy Equity Fund (REEF), announced in November 1997 is modelled on the IIF and will provide a one-off sum of $19.5 million of Commonwealth funds to be matched on a 2:1 basis with private-sector capital. The total capital sum flowing to renewable energy research is expected to be $30 million. AusIndustry is administering REEF in conjunction with the Australian Greenhouse Office. CVC Reef Limited have been awarded the fund manager REEF licence. Contact details are available on the AusIndustry website.

Pooled Development Funds

The Pooled Development Funds (PDF) Program is designed to increase the supply of equity capital for small and medium-sized enterprises (SMEs). PDFs are private sector companies, established under the PDF Act, that raise capital from investors and use the capital to take equity in Australian SMEs through new shares. In return, PDFs and their shareholders are taxed at a lower rate on income generated through PDF activities. The PDF program provides opportunities for venture capitalists, SMEs and investors.

The PDF Program is delivered through private sector fund managers. Around 200 small Australian companies in various stages of growth and development will benefit from the PDF Program with an investment of around $230 million.

People seeking equity capital for their business should contact the PDFs direct. Contact details are available on the Department of Industry, Science and Resources website. Further information about the PDF Program and its application guide for registration as a PDF are available on the Website at: www.isr.gov.au/industry/pdf.

Commercialising Emerging Technologies (COMET)

Commercialising Emerging Technologies (COMET) is designed to increase the commercialisation of innovative products, processes and services, by providing individuals, early-stage growth firms, and spin-off companies with a tailored package of support to improve their potential for successful commercialisation. Assistance will be available over a maximum of 2 years.

COMET, which is delivered by private sector Consultant Business Advisers, provides for funding of $30 million over 3 years.

COMET provides two forms of assistance. Management Skills Development is designed for clients with immediate needs in the area of management skills related to innovative practices and commercialisation. COMET will fund up to half the cost of a management skills course, to a maximum of $5000.
Tailored Assistance for Commercialisation will support activities in the areas of business planning, market research, intellectual property strategy, working prototype and proven technology. The program will provide 80% of the cost and the remaining 20% will be met by the applicant. In the majority of cases, assistance will be between $20,000 to $50,000, but will be capped at $100,000 for exceptional applicants.

**General Industry Incentives**

**Project By-law Scheme**

The Project By-law Scheme (PBL) provides import duty concessions on capital equipment used in major mining, resource processing, manufacturing and agriculture-based industries.

Assistance is only available where the total value of capital equipment (from Australia and overseas) used for each significant phase of a particular project exceeds $10 million.

Applicants are required to establish that capital equipment for which a duty concession is sought is not manufactured in Australia. (In some circumstances a duty concession will be granted where the goods are manufactured in Australia but the imported goods are proven to be technologically more advanced than the locally made goods.)

Currently the Scheme is involved with 35 projects and during the last financial year 1998-99 approximately $20 million was granted in import duty concessions.

Requests for concessions are made by submission to AusIndustry. Further information and contact details are available from the AusIndustry website.

**Tariff Export Concession Scheme**

The Tariff Export Concession Scheme (TEXCO) seeks to assist manufacturing industries by allowing them to import products which will be incorporated into goods for export without the need for ‘up-front’ payment of duty or sales tax. It currently involves up to 600 export companies who received $80 million during 1998-99 in the form of duty forgone.

The Tradex replaces TEXCO from 23 June 2000.

**Tradex**

The Tradex will provide relief to exporting companies via an up-front exemption from customs duty and other taxes on imported goods intended for export or to be used in inputs to exports.

For further information and application details, contact AusIndustry on the Business Hotline on 13 28 46.

**Industry-Specific Incentives**

**Petroleum Products Freight Subsidy Scheme**

The Petroleum Products Freight Subsidy Scheme (PPFSS) ensures that customers in remote areas do not pay excessive rates for diesel, petrol and aviation fuel by subsidising the cost of freight from refining ports and seaboard terminals to remote Australia.

In 1998-99, the subsidy was worth $3 million. Further information is available from the AusIndustry website.

**Shipbuilding Bounty**

The Shipbuilding Bounty provides assistance to approximately 10 registered shipbuilders for eligible construction costs incurred in the construction or modification of a bountiable vessel.

(A bountiable vessel is one which is between 150 and 20,000 gross construction tonnes and satisfies other criteria of the Bounty (Ships) Act 1989. It excludes vessels built under government contract.)

Bounty is available for ships constructed in Australia, on the basis of contracts entered into before 31 December 2000 and delivered on or before 31 December 2003.

Bounty is payable at the rate of 3% of the eligible costs incurred in the construction or modification of a bountiable vessel. The projected value of the program for 2000-2001 is $12.4 million.

**Shipbuilding Innovation Scheme**

The Shipbuilding Innovation Scheme (SIS) provides assistance for registered shipbuilders who undertake eligible R&D activities related to the construction or modification of a bountiable vessel.
SIS provides assistance at a rate of 50% of innovation expenditure up to a total of 2% of eligible production costs on vessels completed on or before 30 June 2004.

The estimated value of this scheme for 2000-2001 is $9.8 million. For further information on applying for the Shipbuilding Bounty or SIS, contact AusIndustry on the Business Hotline — 13 28 46.

**Printing Industry Competitiveness Scheme**

The Printing Industry Competitiveness Scheme (PICS) is designed to assist the Australian book printing industry by allowing printers to claim 4% of the paper input costs of books which satisfy eligibility criteria.

The scheme will operate from 1 January 1999 until 30 June 2003. The Scheme is expected to compensate industry with $18.3 million over that period for tariff inflated paper input costs.

Further information and claim forms are available from the AusIndustry Website or Business Hotline.

**Book production - Enhanced Printing Industry Competitiveness Grants**

The Book Production - Enhanced Printing Industry Competitiveness Grants (EPICS) is designed to assist industry to achieve the goal of becoming more competitive, both domestically and internationally. Commencing on 1 July 2000, EPICS will provide competitive grants to industry for projects which encourage innovation, business development and skills formation.

EPICS forms part of the Printing Industry Action Agenda which in turn forms part of the Government’s $240 million Book Industry Assistance Plan. This Plan is being developed to provide support for printing, publishing, book selling, book authorship and library activities in Australia.

**Passenger Motor Vehicle Duty Free Allowance Scheme**

The Passenger Motor Vehicle Duty Free Allowance Scheme (PMV DFA) allows passenger motor vehicle producers to import components up to the value of 15% of the cost of final vehicle product duty free.

The four clients receiving the benefit of this program in recognition of their employment contribution are Mitsubishi Australia, Ford Australia, Holden Ltd and Toyota Australia.

Further information is available from the AusIndustry website or Business Hotline.

**Passenger Motor Vehicle Export Facilitation Scheme**

The Passenger Motor Vehicle Export Facilitation Scheme (PMV EFS) encourages the manufacture/assembly of vehicles and components in Australia by allowing exporters to be granted a credit of one dollar on imported automobiles/ components for every dollar of Australian automotive value added to eligible exports.

Currently 400 firms are recognised under these arrangements.

Further information is available from the AusIndustry website or Business Hotline.

**Automotive Competitiveness and Investment Scheme**

The Automotive Competitiveness and Investment Scheme (ACIS) is directed towards encouraging new investment and innovation in the automotive industry.

ACIS rewards production, investment and research and development through the quarterly issue of import duty credits to registered participants. These credits can then be used to discharge customs duty on eligible automotive imports.

ACIS will commence on 1 January 2001 and conclude on 31 December 2005. It is expected that around $250 million in duty forgone will be claimed between 1 January and 30 June 2001.

**TCF Import Credit Scheme**

The TCF Import Credit Scheme (TCF ICS) provides credits which can be used to reduce the customs duty payable on TCF imports. In 1998-99, 320 Australian TCF businesses received support through this Scheme. Further information is available from the AusIndustry website or Business Hotline.

**TCF Corporatewear Register**

The TCF Corporatewear Register allows employers to register non-compulsory occupational clothing on the Approved Occupational Clothing Register. The registered company’s employees can claim the cost and maintenance of such clothing as a tax deduction; and registered companies will not
have to pay Fringe Benefits Tax on contributions to the cost of non-compulsory occupational clothing for their employees.

**TCF Expanded Overseas Assembly Provisions Scheme**

The TCF Expanded Overseas Assembly Provisions (EOAP) Scheme provides assistance through duty concessions to firms who assemble garments and footwear overseas from predominantly Australian fabric and/or leather and then import them back into Australia for local consumption. For further information on the TCF EOAP Scheme, contact the TCF Unit on (03) 9268 7922.

**TCF Strategic Investment Program**

The Textile, Clothing and Footwear (TCF) Strategic Investment Program is a new Government post-2000 incentive program. The program is designed to enhance the commercial competitiveness of the TCF industries in global markets by taking advantage of the five-year TCF tariff pause between 2000 and 2005.

The program will provide up to $700 million in assistance, over these five years, to eligible TCF applicants. The program encourages investment in modern plant, equipment and increased research and development activity, including innovative product development. Registration for the program is essential and application forms can be obtained from AusIndustry in your capital city. Further information is available on the AusIndustry Website.

**Information Services**

**Business Entry Point**

The Business Entry Point (BEP) is a Commonwealth Government initiative which provides small business and business advisers with access to comprehensive information on a wide range of business assistance programs. It also is developing an interactive service which will allow business to conduct a wide range of commercial transactions ranging from fee and taxation payments to program registrations and claims with Federal, State and Local Government bodies.

**Business Information Services**

The AusIndustry face of BEP is the Business Information Service. This service provides information on more than 800 programs and services offered by Commonwealth, State and Territory Governments, industry associations and chambers of commerce.

It also hosts the Business Licence Information Service (BLIS), which provides information on all licences and permits that are required in order for a business to operate.

The Business Information Service also contains essential information on important business-related issues such as taxation, record-keeping, superannuation, occupational health and safety, customs, intellectual property protection and workplace relations. The Business Entry Point Website can be found at www.business.gov.au

The Business Hotline - 13 28 46 - is a telephone point of referral for a range of government products and services.

For further information and application details contact the AusIndustry website at: www.ausindustry.gov.au or call AusIndustry on the Business Hotline — 13 28 46.

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fax (03) 9268 7599

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BRISBANE QLD 4000
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Western Australia
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Griffin Centre
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Australian Capital Territory
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33 Allara Street
CANBERRA CITY ACT 2601
tel (02) 6213 7479
fax (02) 6213 7482
Attorney-General's Department: Commonwealth Funded Programs, Tasmania
(Question No. 1541)

Ms O'Byrne asked the Attorney-General, upon notice, on May 2000:
(1) Does the Minister’s Department administer any Commonwealth funded programs for which community organisations, businesses or individuals can apply for funding in Tasmania; if so, what are the programs.
(2) Does the Minister’s Department advertise these funding opportunities; if so, (a) what print media outlets have been used for the advertising of each of these programs and (b) were these paid advertisements.

Mr Williams—The answer to the honourable member’s question is as follows:
(1) Yes. My Department administers the Commonwealth Community Legal Services Program which contributes funding to Community Legal Services throughout Tasmania.
(2) Yes. The Commonwealth advertises open tender for funding opportunities as they arise.
(a) The media outlets generally utilised for this purpose are national newspapers as well as a newspaper local to the area in which funding is being made available.
(b) Yes. The advertisements are funded from within my Department’s allocated budget.

Family Court: Judge Relocation
(Question No. 1578)

Mr McClelland asked the Attorney-General, upon notice, on 30 May 2000:
(1) Will the judge of the Family Court who currently services the Cairns, Townsville and Rockhampton registries be relocating; if so, when.
(2) Under what arrangements will the Cairns, Townsville and Rockhampton registries operate subsequent to the departure of the judge.
(3) Will Cairns be included on a new circuit; if so, (a) how often and on which days will a judge visit the Cairns registry and (b) where will the judge who visits Cairns be based.
(4) Will Townsville be included on a new circuit; if so, (a) how often and on which days will a judge visit the Townsville registry and (b) where will the judge who visits Townsville be based.
(5) Will Rockhampton be included on a new circuit; if so, (a) how often and on which days will a judge visit the Rockhampton registry and (b) where will the judge who visits Rockhampton be based.

Mr Williams—The answer to the honourable member’s question is as follows:
I am advised by the Family Court as follows:
(1) Justice Barry, who was formerly resident in Townsville, relocated to Brisbane in the week commencing 18 June 2000.
(2) There are no changes to the circuit arrangements already in place for Cairns.
Prior to relocating to Brisbane, Justice Barry was scheduled to sit in Townsville for 5 weeks during July and August. These sittings have now been rescheduled for September and arrangements have been made for a judge from Brisbane to undertake the sittings. Should there be no judicial appointment to Townsville by September, further arrangements will be made to provide a judge to hear matters in Townsville.
There are no changes to the circuit arrangements for Rockhampton.
(3) There are no changes to the circuit services to Cairns.
(a) The circuits for Cairns are scheduled for:
31 July - 11 August 2000
9-18 October 2000
27-28 December 2000
29 January - 9 February 2001
30 April - 11 May 2001
(b) Pending the appointment of a new judge in Townsville, the judges who will conduct these circuits will come from other Family Court registries – usually Brisbane.

(4) Arrangements have been made for a judge from Brisbane to hear matters in Townsville.
(a) Hearings will be conducted in Townsville from 28 August 2000 until 29 September 2000.
(b) Should no judicial appointment be made in Townsville by September, further arrangements will be made to provide a judge to hear matters in Townsville.

(5) Responsibility for circuits to Rockhampton rests with the Brisbane Registry.
(a) Rockhampton circuits are currently scheduled for:
7-18 August 2000
6-17 November 2000
26 February - 9 March 2001
28 May - 8 June 2001
(b) Judges based in Brisbane conduct the circuits to Rockhampton.

Privy Council: Judicial Committee
(Question No. 1634)

Mr Melham asked the Attorney-General, upon notice, on 19 June 2000:

Is the Attorney-General able to say which countries have (a) allowed appeals to the Judicial Committee of the Privy Council or (b) ceased to allow appeals to the Judicial Committee of the Privy Council since his answer to question No. 2700 (Hansard, 28 May 1998, 4225).

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

The source of the following information is Whitaker’s Almanack 2000.

(a) The Judicial Committee of the Privy Council is primarily the final court of appeal for the United Kingdom dependent territories and those independent Commonwealth countries which have retained the avenue of appeal upon achieving independence as follows - Antigua and Barbuda, The Bahamas, Barbados, Belize, Brunei, Dominica, Jamaica, Kiribati, Mauritius, New Zealand, St Christopher and Nevis, St Lucia, St Vincent and the Grenadines, Trinidad and Tobago, and Tuvalu. The Committee also hears appeals from the Channel Islands and the Isle of Man.

(b) Since the answer to the House of Representatives Question No. 2700, appeals to the Privy Council are no longer allowed from The Gambia.

(c) Since the answer to the House of Representatives Question No. 2700 and following devolution of powers to the Scottish Parliament and the Scottish Administration, the Judicial Committee assumes a new role as Scotland’s principal constitutional court and will be the final arbiter in disputes between the UK and Scottish Parliaments regarding legislative competence.

Second Sydney Airport: Economic Benefits
(Question No. 1706)

Mrs Crosio asked the Minister for Transport and Regional Services, upon notice, on 28 June 2000:

(1) Has his attention been drawn to a report prepared by Access Economics and Maunsell McIntyre into Sydney’s Gateways in the 21st Century, which states the passenger demand for Badgerys Creek airport will only become sufficient to generate positive economic benefits in 2020.

(2) Does he agree with the report’s conclusion, that on economic grounds, if a Badgerys Creek airport was to begin operation the optimal timing would be for it to begin in 2020; if not, why not.

(3) Does he agree with the report’s statement that commencing the Badgerys Creek airport any earlier would require a costly subsidy and negative economic benefits; if not, why not.

(4) Was the Second Sydney Airport Environmental Impact Statement (EIS) based on the assumption that if the existing curfew, cap, ring fence and other operational restrictions continue to apply Sydney (Kingsford-Smith) Airport (KSA) would reach its capacity in 2007.
(5) Does he agree with the report’s claim that the distance between the Badgerys Creek site and the central business district will result in excessive transport and travel costs for business and passengers; if not, why not.

(6) Does he agree with the report’s statement that if Sydney’s second airport were to be built at Badgerys Creek, interim transport measures would be needed to alleviate Sydney’s passenger growth between 2010 when KSA reaches its capacity and 2020 when Badgerys Creek airport becomes economically viable; if not, why not.

(7) Would these interim measures constitute a sufficient increase in the economic cost of an airport at Badgerys Creek; if not, why not.

(8) Has the Government considered any interim transport measures as possible long term alternatives to the Badgerys Creek airport.

(9) If a Badgerys Creek airport were to be built to begin operation in 2020 to maximise economic benefits, would another EIS be needed so that the social and environmental impact of the airport can be measured against relevant and up to date environmental and social issues; if not, why not.

(10) When will the Government make a decision on whether or not an airport will be built at Badgerys Creek.

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

(1) Yes.

(2) to (7) The Government is currently considering the complex issue of how best to meet Sydney’s future airport needs. In doing so, it is taking account of a broad range of economic, environmental, social and equity issues.

The Committee for Sydney report, “Sydney’s Gateways in the 21st Century” analyses Sydney’s future airport needs from a purely economic perspective. The Report does not take account of the environmental and other factors which must be considered by the Government, although the Report recognises their importance.

In its consideration of the economic issues related to Sydney’s future airport needs, the Government will take account of the Committee for Sydney’s report as well as the benefit cost analysis in the EIS, which used a different methodology and some different assumptions.

(8) The Government is considering a wide range of options for meeting Sydney’s future airport needs.

(9) This question should be addressed to the Minister for the Environment and Heritage.

(10) The Government will make a decision on Sydney’s future airport needs in the near future.

Second Sydney Airport: Sydney’s Gateways In The 21st Century Report

(Question No. 1711)

Mr Price asked the Minister for Transport and Regional Services, upon notice, on 29 June 2000:


(2) Does the Report state that using assumptions generally favourable to Badgerys Creek Airport (BCA) and an optimal subsidy, that the earliest BCA could commence operations, in a manner generating positive economic benefits, is 2016.

(3) Does the earliest possible scenario of 2016 differ considerably from the timing in the Environmental Impact Statement of 2008; if so, what action will he take to rectify the inconsistency.

(4) Does the cost of a subsidy to commence Badgerys Creek Airport any earlier than 2016 exceed the benefits to passengers, even assuming the most favourable economic circumstances.

(5) Will the net economic and social benefits of reduced noise over inner Sydney versus increased noise over Western Sydney generate a considerable net positive in order to offset economic negatives.

(6) Is the total subsidy required for BCA to commence in 2008 $1700 million.

Mr Anderson—The answer to the honourable member’s question is as follows:
(1) The Committee for Sydney report, “Sydney's Gateways in the 21st Century”, has been drawn to my attention.

(2) to (6) The Government is currently considering the complex issue of how best to meet Sydney’s future airport needs. In doing so, it is taking account of a broad range of economic, environmental, social and equity issues.

The Committee for Sydney report analyses Sydney’s future airport needs from a purely economic perspective. The Report does not take account of the environmental and other factors which must be considered by the Government, although the Report recognises their importance.

In its consideration of the economic issues related to the Sydney’s future airport needs, the Government will take account of the Committee for Sydney’s report as well as the benefit cost analysis in the EIS, which used a different methodology and some different assumptions.

**Migration: Social Security Agreements**

(Question No. 1714)

Mr Sciacca asked the Minister for Immigration and Multicultural Affairs, upon notice, on 29 June 2000:

(1) Are the changes proposed by the Migration Legislation Amendment (Parents and other Measures) Bill 2000 designed to offset some of the cost in terms of social security and health incurred by the Australian taxpayer as a result of aged parent migration; if so, will the changes breach the reciprocal Social Security agreements that Australia has with Austria, Canada, Cyprus, Ireland, Italy, Malta, The Netherlands, Portugal and Spain.

(2) Will the changes proposed by the bill impact upon the less formal arrangements for reciprocal social security arrangements Australia has with the United Kingdom and New Zealand; if so, how.

(3) Will the benefits available under reciprocal social security arrangements to Australian citizens migrating overseas be compromised by the legislative changes proposed by the bill.

(4) Will the bill introduce a significant financial criterion that a specific class of people will be required to meet before they will be eligible to migrate to Australia; if so, how is this consistent with the claim that Australia’s migration policies are non-discriminatory and, in particular, will the proposed $64 000 charge per couple impact disproportionately on applicants from developing countries.

Mr Ruddock—With assistance from the Minister for Family and Community Services, the answer to the honourable member’s question is as follows:

(1) Yes the changes proposed by the Migration Legislation Amendment (Parents and other Measures) Bill 2000 are designed to offset some of the potential health and social security costs associated with aged parent migration.

The proposed legislation changes are not in breach of Australia’s reciprocal Social Security agreements. Social Security agreements normally provide for access to pensions, such as Age Pension. Pensions are not recoverable under the Assurance of Support scheme. Aged Parent migrants from a country with which Australia has a social security agreement will still have access to pensions covered by that agreement. Administrative arrangements will allow for the immediate release of their Assurance of Support bond, once a pension has been granted.

(2) No. For people over Age Pension age, these agreements provide access to Age pension, which is not recoverable under the Assurance of Support scheme. For the Honourable Member’s information, the agreements with the United Kingdom and New Zealand are no less formal than those with other countries, although they are different in that they are based on a model of "host country" responsibility, rather than "shared" responsibility. However, it should be noted that the agreement with the United Kingdom will terminate from 1 March 2001.

(3) No. Benefits covered by an agreement will not be affected in any way.

(4) No, the Bill does not introduce a criterion to be met by a specific class of people either in Australia or overseas. The proposed criteria for aged parents are of universal application and there is no distinction based on race, religion, nationality, membership of a particular social group or political opinion. The framework proposed in the Bill is largely the same as that introduced by the Government in 1991, only the level of financial requirement is higher to recover a higher percentage of costs currently incurred by the taxpayer.
Stronger Families and Communities Strategy: Funding
(Question No. 1716)

Ms Ellis asked the Minister representing the Minister for Family and Community Services, upon notice, on 29 June 2000:

(1) Did the Stronger Families and Communities Strategy–National Skills Development Program for Volunteers Initiative receive funding in the 2000-2001 Budget of $15.8 million over the next four years to help people involved in volunteer work build skills and celebrate the International Year of Volunteers in 2001; if so, what proportion of total funding will be spent on (a) helping people involved in volunteer work build skills, and (b) the International Year of Volunteers in 2001.

(2) Of the total funding identified in part (1)(a), what sum will be allocated to (a) peak non-government voluntary bodies at the national level, (b) Commonwealth government Departments and agencies, (c) non-government voluntary bodies in each State and Territory and (d) State and Territory government departments and agencies.

(3) Of the total funding identified in part (1)(b), what sum will be allocated to (a) peak non-government voluntary bodies at the national level, (b) Commonwealth government Departments and agencies, (c) non-government voluntary bodies in each State and Territory and (d) State and Territory government departments and agencies.

(4) Of the total funding identified in parts (2)(a), (2)(b), (2)(c) and (2)(d), when will the recipients (a) be notified of their funding and (b) receive the funding.

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

(1) Yes, $15.8 million over four years was allocated to National Skills Development for Volunteers and the International Year for Volunteers through the Stronger Families and Communities Strategy, announced as part of the 2000-01 Budget.

(a) $8.8 million over four years has been allocated to the National Skills Development Initiative.

(b) $7 million over 2 years has been allocated to the International Year of Volunteers.

(2) (a) The Department of Family and Community Services (FaCS) is currently consulting with the voluntary sector and considering various models for implementing the National Skills Development initiative. Funding will not be allocated until the outcomes of these considerations are finalised.

(b) See 2(a)

(c) See 2(a)

(d) See 2(a)

(3) (a) Objectives for the International Year of Volunteers are currently being developed by FaCS in partnership with other tiers of government and the voluntary sector. FaCS is currently running a series of community based workshops across the country to support this process. Once the objectives are established, detailed plans of activities will be prepared to support specific objectives, including ways in which funding will be allocated to the voluntary sector.

(b) See 3(a)

(c) See 3(a)

(d) See 3(a)

(4) (a) The timing of notification and receipt of funding will be determined by the activities referred to in the answers to questions 2 and 3.

(b) See 4(a)

Explosive Ordnance Storage, Wallangarra: Review
(Question No. 1720)

Mr Laurie Ferguson asked the Minister for Defence, upon notice, on June 2000:

(1) Did the Prime Minister make certain undertakings at Nyngan on 30 January 2000 regarding the continuation of Commonwealth services and Defence functions in regional areas; if so, what was the nature of those undertakings.
(2) How many civilian and military personnel are employed at Defence’s ammunition platoon at Wallangarra, Qld.

(3) Is the provision of regional ammunition facilities being reviewed as part of the Commercial Support Program; if so, has Wallangarra been deleted from the list of mandated sites.

(4) Will he maintain the current functions and staff numbers at Wallangarra ammunition platoon.

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

(1) On 31 January 2000 the Prime Minister addressed a community luncheon at Nyngan, NSW. At that function, the Prime Minister said “I don’t want to see any further services, government service levels withdrawn or taken away from the bush. I indicated yesterday and again this morning in Bourke that one of the things that I’ve asked all of my Ministers to do – and I’m in the process of writing to each of them - … that in any future Government decisions that, in effect, a red light flashes if that Government decision involves a reduction in the delivery or an existing Commonwealth service. It doesn’t mean to say you can’t find different ways of delivering the same service level”.

The Prime Minister has made clear, on numerous occasions, that proposals to close down significant defence facilities in rural and regional Australia would also be subject to the same process.

(2) 6 military and 11 civilian personnel.

(3) Yes. The explosive ordnance storage facility at Wallangarra is included in the scope of the project and was categorised as a “may use” depot.

(4) The future use of the Wallangarra depot has not yet been decided.

**HMAS Sydney Inquiry: Implementation of Recommendations**  
(Question No. 1724)

Mr Stephen Smith asked the Minister representing the Minister for the Environment and Heritage, upon notice, on 29 June 2000:

What progress has been made on implementing the recommendations of the inquiry by the Joint Standing Committee on Foreign Affairs, Defence and Trade into the loss of HMAS Sydney.

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

Should the wreck of the HMAS Sydney be located within Commonwealth jurisdiction as defined by the Historic Shipwrecks Act 1976, it is my intention to declare the vessel an historic shipwreck under this legislation. Additional protection by declaration of a protective zone around the wreck will also be considered at this time.

**Patrick Stevedores: Meetings**  
(Question No. 1733)

Mr Bevis asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 29 June 2000:

(1) Did he deny any prior knowledge of the Dubai Training scheme to the House of Representatives on the 4 December 1997.

(2) Did he attend a meeting on 18 September 1997 at which any of (a) John Sharp, (b) David Rosalby, (c) Allan Hawke, (d) Derren Gillispie, (e) Greg Feeney, (f) Kym Bills, (g) Greg Bondar, (h) Peter Wilson, (i) Stephen Webster or (j) Chris Corrigan were present; if so, which persons were present.

(3) At that meeting did any person give a briefing of plans to completely replace Patrick’s workforce with non-union labour that would be trained for the task.

(4) Was his former Chief of Staff, Peter Richards, also present at that meeting; if so, did Mr Richards or any other person present (i) take notes or (ii) provide a report, in writing or verbally, of it to him; if not, is it normal practice for members of his staff to represent him at meetings without informing him of what occurred at those meetings.

(5) Did a member of his staff meet with any Commonwealth public servants or consultants or representatives of Patrick Stevedore’s or any related company entity on 1 of December 1997; if so, were his staff informed of plans to replace the workforce of Patrick Stevedore’s or any related company entity or of any other matters and what were those other matters; if so, did his staff inform him of what
occurred; if not, is it normal practice in his office for staff to attend such meetings without informing him of the outcomes.

(6) Did he meet with Chris Corrigan or Peter Scanlon, or any other representatives of Patrick Stevedore’s or any other related company entity on 16 December 1997; if so, (a) was the issue of training of replacement stevedoring labour in Dubai discussed at that meeting, (b) did he inquire of any Patrick’s representative at that meeting what the company’s future plans in relation to their workforce were and (c) does he still maintain as he did in an interview on 4 February 1998, that Chris Corrigan’s interview on 3 February was the first he knew of the details of the Dubai Training Scheme.

(7) In relation to the Patrick’s waterfront dispute of 1997-98, will he confirm that the first he was aware of the dispute was when his office was contacted by representatives of Patrick Stevedore’s or a related company entity late on 7 April 1998 and a subsequent press release faxed to his office.

(8) If this was his first knowledge of what Patrick Stevedore’s or any other related company entity was planning, (a) why did he meet with Chris Corrigan in late November 1997 where he informed Mr Corrigan that he would take a submission to Cabinet in early December regarding the Government providing redundancies for sacked workers, (b) why did he ask John Coombs and Greg Combet at a meeting he had on 18 December 1997 what they were going to do when the farmers came and took their jobs, (c) why did he, on the night of 7 April, contact P&O’s Richard Hein and state he was “pushing the button”, (d) why did he, early in the evening of 7 April ring then Queensland Premier to explain that something would be happening on the docks that night, (e) how could he announce at a press conference soon after he received the press release from Patrick’s that the Government earlier that night had endorsed a Government redundancy package for the sacked workers and (f) when did he prepare the bill on these matters that he introduced into the parliament the next day.

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

(1) I refer the honourable member to the Hansard record of 4 December 1997.

(2) to (8)These questions traverse matters that are at issue in proceedings currently in the Federal Court of Australia. Accordingly, it would not be appropriate to answer those questions.