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

PRIVILEGE

Mr WAKELIN (Grey) (9.31 a.m.)—On 3 December 1999 Mr Peter Osborne wrote to the House of Representatives Standing Committee on Family and Community Affairs making allegations of possible breaches of privilege. The allegations related to the committee’s inquiry into health information management and telemedicine, and public hearings held in Melbourne in April 1997. The specific allegations which Mr Osborne made were that: (1) an officer of the Victorian Department of Human Services, whom I shall refer to as Officer A, and an officer of the Department of Multimedia, whom I shall refer to as Officer B, had deliberately misled the committee in evidence given in relation to the inquiry into telemedicine; and (2) another officer of the Victorian Department of Human Services, whom I shall refer to as Officer C, had threatened Mr Osborne for the purpose of inducing him to refrain from giving evidence to the committee as a private citizen in relation to the inquiry into telemedicine.

I note that, in relation to the first allegation, Mr Osborne indicated that there were inconsistencies in the evidence given by Officer A, Officer B and another witness representing the Australian Computing and Communications Institute. The committee, in accordance with the procedures for dealing with witnesses proposed by the House Procedure Committee, has endeavoured to ascertain the facts of the matter. The committee’s secretary wrote to the Department of Human Services on 6 March 2000 seeking a response to the allegations. Following the receipt of a brief response, the committee secretary wrote to the department again with a series of specific questions. On 16 May 2000 the Department of Human Services responded to the committee secretary’s letter of 6 March 2000. On 29 June 2000 the department provided a more detailed response to earlier questions, with statements by the two officials against whom the allegations had been made. The committee held a private meeting with Mr Osborne on 10 August 2000 to give him the opportunity to expand on his allegations and respond to the refutations of the allegations by Officer A and Officer C.

In his original letter, subsequent correspondence and discussion at the private meeting held on 10 August, Mr Osborne presented what he believed was evidence of fraud involving the use of R&D syndication. The committee did not investigate these claims, but confined its consideration only to the specific allegations of possible breaches of privilege. It is for appropriate other authorities to investigate the much broader allegations which Mr Osborne has raised should they be considered to warrant further investigation. I note that recent articles in the Queensland Courier Mail make reference to the committee. However, they are mainly concerned with the broader allegations made by Mr Osborne.

In relation to the allegation of deliberate misleading of the committee, Mr Osborne has suggested that Officer A from the Victorian Department of Human Services and another officer from the Victorian Department of Multimedia did not disclose to the committee evidence of significant difficulties with a specific telemedicine project conducted by the Australian Computing and Communications Institute, even though Officer A had been briefed on those difficulties. Officer A provided a statement to the committee and submitted the briefing material given to him prior to giving evidence as part of the telemedicine inquiry. That briefing material did identify difficulties with the ACCI project. However, it also referred to actions which had been taken to achieve a more favourable outcome for the project. In his statement to the committee, Officer A stated:

This was not a project with which I had any involvement and I was briefed that although there had been early problems with this project, a better focus on a smaller number of initiatives was expected to result in positive outcomes. I had no other information that this, and when questioned about the possibility of extending the ACCI project by members of the committee, gave a careful and a balanced response. I am at a complete loss to understand how this could be interpreted as lying or otherwise misleading the committee.
As Officer A noted, the questions asked of him focused on the possibility of extending the project. While Officer A stated in his evidence that the project ‘is now achieving considerable success’, he also indicated, ‘it has not been an easy road to hoe’ and that there had been ‘considerable delay and difficulty … in start-up and implementation’. He went on to indicate that there would not be any extension of the project without an assessment of what it had achieved. Officer A was not asked specific questions about problems with the project that would have required him to point to specific difficulties. While he did not volunteer information about specific difficulties of which he was aware and did put a positive spin on the project, we have not formed the view that his remarks were deliberately misleading. To date the committee has not sought a statement from Officer B, who worked in the Department of Multimedia. I note that, in making his first allegation, Mr Osborne indicated that the evidence of other witnesses was inconsistent. While the committee notes that there may have been inconsistencies, to date it has not sought comment from all concerned.

Mr SPEAKER—I interrupt the member for Grey briefly. This is a little unusual in that normally the matter would be brought to my attention and the evidence that he is presenting to the parliament would be a matter that I would consider. Given that he is part way through the evidence, I will allow him to continue. Recognising his status as chairman of the committee, I appreciate the fact that this is a matter of major moment to the committee and of course any matter of privilege is a matter of major concern to the chair. I will allow him to continue, but it is an unusual course to have this amount of evidence offered to the parliament in the first submission.

Mr WAKELIN—Thank you, Mr Speaker. The second allegation, that of intimidation, is based on a conversation or conversations between Officer C in the Victorian Department of Human Services and Mr Osborne. According to Mr Osborne, at a meeting or meetings Officer C threatened Mr Osborne with possible termination of his employment with the Department of Human Services if he accepted an invitation from the committee to appear as a private citizen at the committee’s hearing on 16 April 1997. Mr Osborne alleged that Officer C had indicated the request for him not to appear ‘has come from very high in the department and she will be unable to protect me should I decide to attend the inquiry’. In a statement to the committee, Officer C did not deny that she had met with Mr Osborne nor that she had indicated that the department was directing him not to appear before the committee. However, she indicated that Mr Osborne was seeking to appear before the committee and present a KPMG Information Solutions submission as a document endorsed by the department as a collaborative proposal with KPMG. In essence, the perception was that Officer C said that Mr Osborne was seeking to represent both the department and KPMG at the hearing and the department did not endorse him as its representative at the hearing. Officer C stated that Mr Osborne did not inform her that he had received a personal invitation to appear before the committee or that he wished to appear before the inquiry in a private capacity.

Following discussions with Officer A, Officer C confirmed to Mr Osborne that the Department of Human Services was directing him not to appear before the committee as a departmental representative nor to present his submission as a departmental submission. When Mr Osborne responded to questions on this issue at the private briefing on 10 August 2000, he reiterated that he had been invited directly by the committee secretariat to appear before the committee in his capacity as the author of the KPMG submission. He insisted that Officer C had objected to him appearing before the committee as a representative of his company and that he had not raised the issue of a joint submission nor appearing before the committee to represent both the department and his company.

The committee has a discrepancy that it has not been able to resolve between Mr Osborne’s and Officer C’s recollections of the meeting or meetings at which the threats were allegedly made to Mr Osborne. In conclusion, if Mr Osborne’s version of events is correct, the committee considers that there is
potentially a serious issue of privilege involved. It is central to parliamentary committee processes that witnesses are freely available to provide evidence to committees and are not interfered with in their efforts to provide evidence. This issue is a very serious one which would require the committee to undertake an extensive investigation to finally resolve the matter, and which the committee believes is the role of the Privileges Committee. The committee considers that the matter cannot be determined without further investigation and believes it should be referred to the Privileges Committee for its consideration.

Mr SPEAKER—I will peruse once again the statement the member for Grey has made and any other evidence he may be able to present to my office, and make a decision and report to the House.

AGED CARE AMENDMENT BILL 2000
First Reading

Bill presented by Mrs Bronwyn Bishop, and read a first time.

Second Reading

Mrs BRONwyn BISHop (Mackellar—Minister for Aged Care) (9.40 a.m.)—I move:

That the bill be now read a second time.

On 8 August 2000, I announced that two amendments would be made to the Aged Care Act 1997 to bring about further reforms in aged care. These amendments are designed to give more powers to the Department of Health and Aged Care (through the secretary to the department and his or her delegates) over approved providers who cannot or will not comply with the new standards established under the Aged Care Act 1997.

The Aged Care Act 1997 commenced operation on 1 October 1997 effectively replacing the National Health Act 1953 and the Aged or Disabled Persons Care Act 1954 in relation to the operation of residential aged care facilities (formerly known as nursing homes and hostels).

The aged care reforms, put in place by the Aged Care Act and attendant principles, are the basis for a sound and sustainable aged care system.

Key elements of those reforms are strategies to improve both building standards and care standards, namely, certification of buildings and accreditation in relation to care standards. The legislation sets a deadline of 1 January 2001 for all residential aged care services to be accredited if they are to continue to be eligible for residential aged care subsidies.

As at 1 September 2000, the Aged Care Standards and Accreditation Agency, the body responsible for accreditation, advises that it will process all accreditation applications by 31 December 2000. This means that for the first time all residential aged care facilities will have been visited and two-thirds visited more than once.

On 27 July 2000, I announced a further progression of aged care reforms including the creation of the office of the Commissioner for Complaints and that the Hon. Rob Knowles would fill that position. I also announced that there would be a stepped up program of continuing random spot checks right across Australia.

I turn now to the specific amendments to the act.

The first amendment will allow the department to give notice to residents and relatives of action to be taken which would result in the revocation of approved provider status and bed licences (places under the act) and the probable closure of a home. It will also give the power to revoke bed licences as beds become vacant. This includes an option for progressive revocation or suspension of places (that is, beds) as a sanction.

These measures increase the range of options available to the department. Currently under the act there is no power to nominate a future time from which a sanction takes effect. This bill permits notice to be given to affected residents and next of kin or another individual who, in the opinion of the secretary, is concerned for the safety, health and wellbeing of the resident.

It is also important to note that the department, in making a decision to defer implementation of a sanction imposed, is required to have regard to any risk that there may be
to the safety, health or wellbeing of the relevant affected care recipients.

The second amendment will allow action to be taken against approved providers who have ‘key personnel’, including company directors, who have been convicted of an indictable offence, are of unsound mind or become bankrupt.

More specifically such key personnel, who are described as ‘disqualified individuals’ in the bill, include individuals who have been convicted of an indictable offence under Australian law or under corresponding foreign laws, who are of unsound mind to the extent that this affects the performance of their duties as key personnel, or who are insolvent under administration (an expression that includes bankruptcy and other arrangements).

This amendment will enable the department to take action to require the removal of such key personnel without revoking approved provider status. Removal of approved provider status, however, will remain the final option.

Particular measures introduced in the bill in this regard include removal of such key personnel by order of the Federal Court in relation to approved providers that are corporations. Sanctions action under the act continues as an option in relation to all approved providers (whether or not they are corporations) if they fail to comply with the new requirement to ensure their key personnel are not disqualified individuals. These provisions of the bill are designed to ensure that the care being provided to care recipients is not compromised.

Where an approved provider is not prepared to comply with the new provisions, it risks action in the Federal Court or sanctions under the act, in addition to consideration of whether the approved provider continues to be suitable to maintain approved provider status under the act.

These provisions also apply to applicants for approved provider status.

The bill also introduces certain offences, with appropriate penalties, where a person who is a key personnel of an approved provider is a disqualified person and the approved provider is a corporation. These offences apply both to an approved provider (that is a corporation) and a disqualified individual.

In relation to such an offence committed by an individual disqualified on the basis of unsound mind, it is imperative that aged care recipients are not placed at risk because of the potential actions or omissions of such persons. If, for example, such a person was not criminally responsible for his or her actions because of mental impairment then he or she would not be convicted of the offence.

The offence provisions will be a significant incentive for the removal of such key personnel from the important positions that they occupy. Again, the end result will be that the care being provided to individuals in Commonwealth funded residential aged care is not compromised.

The proposed amendments to the act continue the momentum of progressive reforms put in place by the Howard government in aged care.

I commend this bill to the House, and I present the explanatory memorandum.

Debate (on motion by Mr Sciacca) adjourned.

FARM HOUSEHOLD SUPPORT AMENDMENT BILL 2000

First Reading

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

Second Reading

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (9.48 a.m.)—I move:

That the bill be now read a second time.

Farm Help—Supporting Families through Change is the government’s key program for delivering income support to the farm sector. Farm Help is available to low income farm families who cannot borrow further against their assets and who wish to consider their future in the farm sector.

Farm Help is a proven, effective safety net for farm families if they fall into financial difficulties. The program helps farmers plan
their future, on or off the farm. Since the scheme began in December 1997, nearly 4,600 farm families have received income support, nearly 4,700 professional advice sessions have been attended and nearly 500 farm families have received re-establishment grants.

Assistance available through Farm Help is flexible and can be tailored to meet the needs of each farm family. The program elements include up to 12 months income support at the Newstart allowance rate, professional advice to the value of $3,000 on a wide range of areas to suit individual needs (including financial, legal, business, career or personal advice) and a re-establishment grant of up to $45,000 for those farmers who decide to leave farming.

The government provided funding in the 2000-01 budget to extend all elements of the Farm Help program to 30 November 2003 and for program enhancements. The program, formerly known as the Farm Family Restart Scheme (FFRS), has been renamed Farm Help—Supporting Families through Change to better reflect the intention of the program, which aims to provide support addressing the individual needs of farming families, whether they choose to remain on the farm or exit agriculture.

The enhancements to Farm Help include a retraining grant of $3,500, case management of Farm Help clients and an increase in the net assets threshold for re-establishment grant recipients.

The retraining grant will be available to those farmers, and their spouses, who receive a re-establishment grant. The $3,500 retraining grant will focus on skill development through accredited training, including vocational training, to assist farmers and their spouses in finding alternative careers to farming.

All Farm Help clients will be encouraged to participate in voluntary case management. This will involve the development of an activity plan which will help provide farmers with a plan of action that is much more closely aligned with their individual needs and circumstances. The development and follow-up of activity plans will be compulsory for non-viable farmers.

The net assets threshold for re-establishment grant recipients has been increased for receiving the maximum re-establishment grant from $90,000 to $100,000. This increases the total grant payable to those farmers with net assets of $100,000 from $38,333 to $45,000. The grant will be phased down by $2 for every $3 in assets above $100,000 and the grant will cease to be payable when assets exceed $167,500.

The Farm Household Support Amendment Bill 2000 includes amendments to reflect the extension of the Farm Help income support application deadline to 30 November 2003 from the current deadline of 30 November 2001, with payments being made until 30 November 2004. An amendment is also required for the provision for mandatory activity plans to be developed for those farmers who are assessed as non-viable. Amendments are also required for the renaming of the program to Farm Help. This will require the word ‘Restart’ to be replaced with ‘Farm Help’ in numerous sections of the FHS Act, and consequential amendments will be required to the Bankruptcy Act 1966, the Health Insurance Act 1973, the Income Tax Assessment Act 1936, the Income Tax Assessment Act 1997 and the Social Security Act 1991.

The Farm Household Support Act 1992 disallowable instruments will require amendment to provide for the program name change, the retraining grants for re-establishment grant recipients and activity plan development for non-viable farmers. The development of activity plans for non-viable farmers and the issue of retraining grants for re-establishment grant recipients will commence upon proclamation of the Farm Household Support Amendment Bill 2000.

The extension of the re-establishment grant application deadline to 30 November 2003 and the increase in the net assets threshold for the re-establishment grant have already been implemented through an amendment to the Restart re-establishment grant disallowable instrument. The voluntary
A voluntary wool grower ballot, known as WoolPoll 2000, was conducted in March this year, with wool growers indicating their preferences for a two per cent wool tax to be invested in research and development, technology transfer and delivery and some information services. In response to the WoolPoll result, the wool tax rate was lowered to an interim rate of three per cent from 1 July 2000. This interim rate is to cover the costs of transition to a mainly research and innovation body, and from a government authority to private ownership. The levy will be further reduced to two per cent as soon as these costs are met following the establishment of the new arrangements.

Following WoolPoll, a process to identify the most appropriate Corporations Law structures to replace AWRAP was undertaken in conjunction with the wool Interim Advisory Board, IAB, and the Woolgrower Advisory Group, known as the WAG. The preferred structure received unanimous endorsement from the Interim Advisory Board and the WAG.

The new structure

The bill provides that AWRAP will be converted to a Corporations Law holding company limited by shares, to be called Australian Wool Services Ltd. It is proposed that AWRAP’s successor will have two principal subsidiary companies. The boards to be established under the new arrangements will be responsible primarily to their shareholders, rather than to the government.

One subsidiary of the holding company, nominally called ‘CommercialCo’, is expected to be AWRAP’s current subsidiary, The Woolmark Co. CommercialCo will be involved in the commercial development of the woolmark and its sub-brands and the commercialisation of intellectual property matters.

The other subsidiary, nominally called ‘R&DfundCo’, will manage the proceeds from the wool levy and will outsource wool industry R&D. It will also manage intellectual property arising from this research.

The creation of the two subsidiaries allows for transparency and contestability in the ex-
penditure of levy funds, as well as maximising the commercial potential of the assets.

These arrangements also provide flexibility for the new main board to consider the demerging of the holding company from its subsidiaries within 12 to 24 months, leaving the two subsidiaries as stand-alone commercial companies directly owned by shareholders.

**Wool tax to a wool levy**

The bill allows for the establishment of a wool levy to replace the current wool tax. This change will see the compulsory industry contribution arrangements harmonised with all other agricultural industry levies. The wool levy will continue at the same rate as the wool tax, currently three per cent. The establishment of the wool levy will also help in the future conduct of wool levy rate ballots and will also assist to maintain the accuracy of the shareholder register by ensuring accurate wool levy information is passed onto the register managers.

**Shareholder arrangements**

A list of eligible wool growers as provided for in the bill allows for shares in the holding company to be issued to eligible wool growers. This list of shareholders will form a dual-class register which gives voting entitlements to shareholders in relation to activities of the R&D FundCo subsidiary and the CommercialCo subsidiary.

The bill also provides for a period in which incorrectly issued shares can be removed from the register to ensure its accuracy.

Wool growers will be invited to apply for shares by providing evidence of wool tax paid over the three-year period to 30 June 2000. The establishment of a voluntary shareholder register is a major logistical exercise. At this stage, the intention is that I will sign off on the list of wool grower shareholders in time for the company to be established on 1 January 2001, subject to the appeal procedures and dispute resolution procedures being completed by the company over the following six months.

**Taxation issues**

In relation to tax treatment, government worked on the simple principle that neither the new company nor its shareholders should be disadvantaged in moving to the new privatised arrangements. To achieve this, the bill includes provisions which exempt the company and shareholders from certain taxes in relation to specific steps involved in the restructure process.

There will be a nil cost base for CGT purposes for shares issued in the new arrangements. This was a decision based on two good reasons. Firstly, wool growers will not pay for the shares they receive, and in the payment of their wool tax for industry research and other services there was no expectation that this would lead to realising equity. Secondly, growers have already been able to claim a deduction for the wool tax they have paid which results in their share allocation. To establish a cost base now would essentially mean wool taxpayers would receive a double benefit.

**Accountability**

Whilst government is committed to minimising its involvement in the new arrangements, as long as payments continue to be made to the company by the government it is appropriate for government to responsibly monitor the expenditure of those payments. The bill provides for the government to enter a contract with the company in relation to payments of wool levy and matching government R&D contributions.

**Commencement**

The bill provides for the new arrangements to commence on a date to be proclaimed. This is to ensure that all outstanding issues are completed prior to the privatisation of AWRAP and its subsidiary, The Woolmark Co. It is intended that this will be before 1 January 2001.

**HR strategy**

Consistent with the government’s policy for guiding decision making on staffing and employee conditions matters in privatisation processes, a strategy is being developed to ensure that AWRAP staff are transferred to the new arrangements without breaching their employment contracts.
Inaugural board

It has always been intended that the new board will be drawn from the existing IAB and supplemented as necessary where additional members or skills-mix are required. The new board will not have a government member, consistent with the commitment to the wool industry to minimise government involvement in the new arrangements.

Benefits of privatisation

The process to privatise AWRAP is in response to industry calls for reform. The new arrangements differ from AWRAP in a number of key areas which address industry concerns:
- wool taxpayers will be the owners of the new arrangements;
- there will be full contestability and transparency between the receipt and expenditure of the wool levy and matching R&D funds;
- the government’s role will be limited to that required for accountability for the wool levy, matching R&D funds received and ensuring efficient and effective service delivery;
- shareholders in CommercialCo will have the opportunity to realise future capital gain as a result of share trading; and
- the new companies will operate as commercial entities under the Corporations Law.

Conclusion

The privatisation of AWRAP is part of a larger process to enable the wool industry to assume ownership of its service delivery body and for it to be accountable to levy payers as shareholders. Industry and government have worked closely together to produce this important result for the wool industry. The good work done by the IAB, under the leadership of Mr Rodney Price, and by the Woolgrower Advisory Group, under the leadership of Mr David Webster, have ensured that the process has run smoothly and to schedule. I pay a warm personal tribute to the cooperation that there has been within the industry to reach this important stage today. This is milestone legislation for the wool industry, and I take great pleasure in commending this bill to the House. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Sciacca) adjourned.

AUSTRALIAN RESEARCH COUNCIL BILL 2000

First Reading

Bill presented by Dr Kemp, and read a first time.

Second Reading

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (10.04 a.m.)—I move:

That the bill be now read a second time.

The government recognises that the ability to generate, disseminate and apply knowledge is the distinguishing feature of the strongest economies and the most robust societies.

For Australia to hold its position in the global knowledge revolution, we need to ensure that we are making the best use of our research and research training capabilities. We must construct a framework that allows knowledge and innovation to flourish.

Generating knowledge through research is an essential requirement for Australia’s long-term growth and competitiveness. The higher education sector is a key part of Australia’s innovation system, performing nearly 30 per cent of Australia’s research effort. Our economic and social prosperity depends critically on the outstanding contributions that individuals and teams within universities make to the national innovation system. These contributions are across the full spectrum of the research endeavour, in the natural sciences and technologies and also in the social sciences and humanities.

To ensure that the higher education sector is strategically best placed to meet the challenges posed by the changing global environment, last year the government released ‘Knowledge and Innovation: A policy statement on research and research training’. At its centre was the proposal for a dual approach to funding research and research training in the higher education sector. Firstly, institutions would be supported by performance based block funding to ensure the provision of a high quality environment for research and research training. Secondly,
support would be provided for the work of outstanding individual researchers and research teams through competitive grants administered by the Australian Research Council.

I am pleased to announce to the House that preparations for implementing the first approach, new performance based block funding to universities, is well under way. Universities have already submitted their first research and research training management plans and have, in the main, clearly demonstrated their willingness to embrace a more strategic approach to managing research. Universities are focusing on linking research to the innovation system, while securing their strengths in basic research.

They are also reaffirming their commitment to providing high quality research training environments for their research students who will become our future leaders in the production of knowledge, as well as being instrumental in disseminating this knowledge to the community. Universities are developing for their postgraduate research students a wide range of approaches to learning and the opportunities to experience a wider range of settings in which to develop their knowledge and skills—experiences essential if our researchers of tomorrow are to be well prepared for the challenges and opportunities for future innovation.

The Australian Research Council (Consequential and Transitional Provisions) Bill 2000, which we are considering cognately with this bill, contains measures that will progress these reforms.

This bill implements the second arm of the approach outlined in Knowledge and innovation, through reorienting the Australian Research Council, an organisation critical to ensuring that Australia has a strong foundation of excellent, world-class basic research, as well as the capacity to link this research with other research institutions, government, businesses and the wider community at the local and international level.

The bill will establish the ARC as an independent agency within the Education, Training and Youth Affairs portfolio, charging it with the provision of strategic policy advice to the government on research in the university sector. The ARC will also be charged with increasing awareness and understanding among the community of the outcomes and benefits of Australian research.

This bill will also establish a new funding regime for a national competitive grants program, giving the ARC full responsibility for its administration. Through its system of peer review, the ARC will have an enhanced capacity to identify and respond to emerging areas of research excellence, as well as supporting Australia’s traditional research strengths.

For Australia’s best return on its over $2.6 billion investment in higher education research and research training, the generators of knowledge must be linked with its users. By recognising that insularity is an enemy of innovation, a reformed governance and organisational structure for the ARC will be introduced by this bill.

As a means of building these links, the ARC will consist of a board to which a prominent Australian, highly regarded in the research community, will be appointed as part-time chair. The board will consist of eight appointed members, reflecting the breadth of academic, industry and community interests in research and its outcomes, and five ex-officio members. These ex-officio members will include the secretaries of the Departments of Education, Training and Youth Affairs and Industry Science and Resources; the Chief Scientist; the Chair of the National Health and Medical Research Council; and the newly created position of Chief Executive Officer of the ARC.

The Chief Executive Officer of the ARC—a person with a distinguished record in research and management—will be responsible for the day-to-day management of the ARC, the development of strategic policy advice to government and the proper and efficient administration of its research grants programs.

Through the new planning and accountability framework established by this bill, the ARC will be able to demonstrate the very real and important contribution that higher education research makes to the innovation system. Each year the council will bring for-
ward a strategic plan, for ministerial approval, that outlines the objectives to be achieved over the next three years. The plan will include performance indicators, which will enable the performance of the ARC in meeting its goals to be assessed.

Research is a process which converts money into knowledge and innovation is a process which converts knowledge into money. It is important that Australia’s production of knowledge is supported by a framework that ensures that Australia receives the optimal social, cultural and economic return on its investment.

This bill demonstrates the government’s commitment to an ARC that will be supportive of our most outstanding researchers and that is responsive to changes in the global environment. It provides a framework in which the ARC will be able to build on its contribution to national innovation through forming and maintaining effective linkages between the research sector and the business community, government organisations and the international community.

I am pleased to inform the House that, in our consultations with the higher education sector, we have found that the research community strongly supports the reforms to the ARC and the administration of its new programs put in place by this bill.

In closing, I would like to thank the current Chair of the ARC, Professor Vicki Sara, the council and its staff for their outstanding efforts in maintaining the ARC’s role as a peak forum for Australia’s research interests. I would particularly like to congratulate Professor Sara and her team for their work on developing the new competitive grants program structure, and the ARC’s strategic plan for 2000-02, which sets out how it will undertake this important work over the next three years. I present the explanatory memorandum to this bill.

Debate (on motion by Mr Sciacca) adjourned.

AUSTRALIAN RESEARCH COUNCIL (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2000

First Reading

Bill presented by Dr Kemp, and read a first time.

Second Reading

Dr Kemp (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (10.13 a.m.)—I move:

That the bill be now read a second time.

This bill repeals the Employment, Education and Training Act 1988 and provides for the transitional arrangements to apply to the management of the Australian Research Council and the programs it administers, including current competitive research grants, following the introduction of the new legislative framework.

The bill also amends the Higher Education Funding Act 1988 to implement a number of initiatives that were announced in Knowledge and innovation: A policy statement on research and research training. This includes the creation of performance based, block funding schemes to support research and research training, as well as providing for the funding for those schemes administered by the Australian Research Council to be appropriated under a different act.

In addition, this bill will introduce a requirement for all universities to submit an approved research and research training management plan to the Commonwealth. This provides for the funding for university research to be conditional on a university providing an environment that fosters excellent research and research training. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Leo McLeay) adjourned.

TAXATION LAWS AMENDMENT (SUPERANNUATION CONTRIBUTIONS) BILL 2000

First Reading

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

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.15 a.m.)—I move:

That the bill be now read a second time.

The Taxation Laws Amendment (Superannuation Contributions) Bill 2000 will improve the integrity and fairness of Australia’s taxation system. The government announced on 30 June 2000 that it would proceed to legislate in relation to aggressive tax planning schemes involving superannuation.

These schemes attempt to undermine the law by claiming far greater concessions than were originally intended by parliament. This bill will prevent individuals reducing their taxable income by entering such schemes.

Firstly, the bill will defeat abuse of controlling interest superannuation schemes by clarifying the definition of eligible employee. The bill clarifies where an employer is able to claim a deduction. In particular, personal contributions are not deductible through the provisions concerning employer deductions. This does not introduce a change in the meaning of the legislation but expresses more clearly what has always been the effect of the legislation.

Secondly, the bill will defeat abuse of off-shore superannuation schemes by removing the deduction for contributions made to non-complying superannuation funds—superannuation contributions will only be deductible if made to a complying superannuation fund, to be used for retirement income purposes, rather than in tax schemes attempting to achieve a complete tax wipe-out.

Lastly, the bill will include amendments to ensure that only superannuation contributions made on behalf of an employee are excluded from fringe benefits tax.

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

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Leo McLeay) adjourned.

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (DEBT RECOVERY) BILL 2000

Second Reading

Debate resumed from 5 September, on motion by Mr Anthony:

That the bill be now read a second time.

upon which Mr Swan moved by way of amendment:

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

“whilst not declining to give the bill a second reading, the House:

(1) condemns the Government for the way it has misused compliance and debt processes to brand average families and other decent Australians as welfare cheats;

(2) condemns the Government in particular for the application of a cold-hearted, zero tolerance policy against families that sees substantial debts raised against people whose only error is their inability to predict future income to the exact dollar;

(3) calls on the Government, in the spirit of the McClure Report, to make sanctions and penalties a last rather than a first resort, and to turn its attention to the restoration of essential capacity building programs that help people move from welfare to work; and

(4) calls, above all else, for a change of heart from the Government and a positive approach that provides real opportunities for those with a capacity to work to do so, while affording dignity to those whose circumstances prevent it.

Mr ANTHONY (Richmond—Minister for Community Services) (10.18 a.m.)—I rise to speak on the Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000. After a debt has been identified, the write-off in waiver provisions contained in the Social Security Act 1991 need to be examined to determine whether or not the debt should be recovered. If administrative error is involved, the provision dealing with the waiver due to the administrative error may be considered. The administrative error waiver provisions provide that, if a debt or part of a debt arose solely due to administrative error, that the
payment was received in good faith and that the debt was not raised within six weeks from the date the debt first arose or the end of the relevant notification period, the Commonwealth must waive its right to recover the debt. Therefore, the waiver of the debt will always be considered when administrative error is involved.

The current legislation provides for valuable recovery arrangements based on individual circumstances, including write-off and waiver, where the recovery of a particular debt would not be equitable. This bill does not change that situation. The basic principle, that any amount owed will be recovered as quickly as possible without placing the person in real financial hardship, will remain at the core of Centrelink’s debt recovery procedures.

This government is not heartless. It understands that, when Centrelink customers are overpaid, a higher repayment schedule would be difficult for customers to meet. That is why customers are able to negotiate appropriate repayment schedules if they think the standard recovery arrangements would place them in hardship. However, by clarifying what constitutes the debt, the government will fulfil its obligations to taxpayers.

The opposition should refrain from their scare campaign. The measures contained in this bill are not intended to disadvantage people. The measures clarify what constitutes a debt and whether it can be recovered. The measures remove the uncertainty for customers and staff. Customers will receive their correct entitlements but, in circumstances where customers receive an amount in excess of their correct entitlements, the Commonwealth will seek to recover this money without placing customers in hardship. The changes introduced by this bill will ensure that when a person receives a social security payment, a family assistance payment or a veterans’ affairs payment in excess of the amount that should have been paid, the excess amount is a debt and is recoverable.

The measures contained in this bill are consistent with the government’s view that, if someone has been paid an amount that is more than the correct entitlement, the overpaid amount should be recoverable. It is estimated that there will be an increase in the number and value of debts raised each year of approximately three per cent to four per cent. I reiterate that this measure does not create a new category of debt; it clarifies and simplifies what constitutes a debt and addresses concerns about the difficulties of interpretation of the current provisions. Importantly, the measures will result in other benefits such as increased understanding by staff and customers about what constitutes a debt, as well as reductions in appeals. The measures in this bill ensure that the debt recovery provisions are more transparent to customers.

The bill also closes a loophole that exists in the current interest scheme. At present, under the current interest scheme a debtor may incur an interest charge because the debtor has made no attempt to repay the debt. Due to a loophole, some debtors have been able to avoid their liability to pay interest, even though they have not been making payments in respect of this debt. This bill introduces a new arrangement to close this loophole. The aim of the interest charge is to encourage debtors to make arrangements for repayment of their debts and to comply with these arrangements.

Under the new provisions, a person cannot incur interest until more than 112 days after being sent a notice advising them that a debt exists and that repayment is required. Under the current arrangements, interest can apply as early as 36 days after the person is asked to repay debt. Importantly, if a person does not receive a notice telling them that a debt exists, that repayment is required and that the interest and administrative charges may be applied, they cannot incur an interest charge or an administrative charge. Interest is also calculated on the principal of the debt—that is, interest is not calculated on the interest compounded. The secretary can determine that interest is not payable or is not payable for a particular period. The interest
rate will be set at a lower deeming rate, currently 3.5 per cent of the disallowable instrument. This is significantly lower than the current 20 per cent penalty interest rate that applies. This measure is about placing the emphasis on encouraging debtors to enter into arrangements to repay debts at an early stage, not on trying to collect interest on outstanding debts.

In addition, the bill also provides for an administrative charge of $100 to be payable where a person becomes liable to pay interest. The charge is intended to encourage debtors to enter into arrangements for repayment of debts. The administrative charge will be incurred only once in respect of the debt, and it recognises the cost that the Commonwealth incurs when attempting to recover debts in circumstances where people fail to voluntarily enter into arrangements to repay them. It is anticipated that only a relatively small number of people will be affected. Those affected will be those who refuse to enter into a repayment arrangement.

The bill also provides for the recovery of payments directly from a financial institution where payments have been made incorrectly. This is the most efficient and cost-effective method for the recovery of incorrect payments of this nature. Centrelink makes approximately 232 million payments to 6.1 million customers each year. While Centrelink aims to ensure that individuals receive only their correct entitlement, it is possible that a small number of mistakes will occur in making that number of payments. Where errors do occur, it is appropriate and efficient for the Commonwealth to be able to recover the incorrect payment directly from the relevant financial institution. The provisions of this bill provide that an amount may be recovered directly from a financial institution in circumstances where a payment is made to an incorrect account or payments have continued to be made to a person’s bank account after they have died. It is long-standing practice for Centrelink to recover moneys paid in error directly from financial institutions. This practice has tended to rely on the cooperation of the financial institutions involved. This measure provides the legal authority to do so. Under this measure, the secretary will provide written notice that a financial institution is required to pay the amount to the Commonwealth within a specific period. If the amount of the payment exceeds the amount that remains in the account, the notice is given. The financial institutions will be obligated to repay only the amount remaining in the account. Action to recover the balance of the debt will be taken only where the write-off or waiver provisions are not applicable. It seems to me that every time we come into this place the member for Lilley—and I notice the member for Lilley is now here—continues with the same stories. He talks about a zero tolerance policy on families.

Mr Swan—Shame!

Mr ANTHONY—I would remind the member for Lilley yet again that, for the first time, families will be able to have a full reconciliation of their entitlement to family assistance at the end of each financial year. This means that if a family overestimates their income, they will be able to receive a top-up payment. I do not think there is anything zero tolerance about that policy. In fact, it is something that many families have asked for. Families will receive their correct entitlement. The member for Lilley was critical of the number of people convicted of serious welfare fraud. I should point out that another group of cases, many times larger than the number actually prosecuted, is not referred to the Director of Public Prosecutions because either it is not cost-effective or there is insufficient evidence to prove the case in a court of law. Successive governments have agreed that they are not in the business of clogging up the courts by proceeding against all cases of suspected welfare fraud.

This government is serious not only about preventing welfare fraud but also about preventing debts arising in the first place. Centrelink has a large network of debt prevention and monitoring officers across Australia who work to minimise the risk of incorrect payments. The changes in this bill clarify, simplify and strengthen the debt recovery legislation of the Department of Family and Community Services and the Department of Veterans’ Affairs. The measures contained in this bill provide greater certainty to customers about what constitutes a debt and the cir-
circumstances in which a debt may be recovered. I encourage the opposition to support it. I commend the bill to the House.

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

The House divided. [10.30 a.m.]

(Mr Deputy Speaker—Mr H.A. Jenkins)

Ayes………… 73
Noes………… 64
Majority……… 9

AYES

PAIRS
Costello, P.H. Hollis, C. Howard, J.W. Beazley, K.C.

* denotes teller

Question so resolved in the affirmative.

Original question resolved in the affirmative.

Bill read a second time.

Third Reading
Leave granted for third reading to be moved forthwith.

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

WORKPLACE RELATIONS AMENDMENT (TERMINATION OF EMPLOYMENT) BILL 2000

Second Reading
Debate resumed from 27 June, on motion by Mr Reith:

That the bill be now read a second time.

Mr BEVIS (Brisbane) (10.41 a.m.)—The bill before the parliament is titled “Termination of employment”. In fact, the Workplace Relations Amendment (Termination of Employment) Bill 2000 deals with stripping away from Australian workers entitlements they have at the moment to protection from unfair and unjust dismissal. As with so many of this government’s industrial relations laws,
its title belies its substance. The bill proposes to amend the 1996 legislation. It is important that the record include some history of the development of unfair dismissal in relation to Commonwealth legislation. Unfair dismissal laws are a comparatively new inclusion in Commonwealth law. They were inserted by the former Labor government. The laws that we are now amending are in fact not Labor’s laws. The laws that this government seeks to alter are its own industrial laws—laws which this minister proclaimed as a good solution to the problems that the government claimed existed in 1996. Let me quote what the Minister for Industrial Relations, now the Minister for Employment, Workplace Relations and Small Business, said in 1996 when the Workplace Relations Act was being discussed. He referred specifically to this issue of unfair dismissal and said:

We have delivered a workable system for dealing with unfair dismissal on the basis of a fair go all round...

That is what Minister Reith said just four years ago on his law, his bill, which he said provided for a fair go all round...

This is not the first time since then that this government have sought to rewrite their own unfair dismissal laws. Indeed, they sought to do it in the last parliament, they sought to do it in an earlier bill in this parliament, and they are now seeking to do it again. On every one of those occasions, the parliament has rejected this government’s approach, and so it should. The Labor Party reject the current bill and will be voting against it. This bill in fact is designed to ensure that workers have less protection and fewer rights in circumstances in which they are dismissed in what would otherwise be determined as unfair and unjust circumstances. The people of Australia are entitled to ask why it is this government would want to deny workers access to rights they currently have—rights that protect them against circumstances where they are unfairly or unjustly treated in dismissal. That is more so the case, given that these laws are comparatively new laws, enacted by this government and this minister and proclaimed by this minister as good laws that deliver a workable system for dealing with unfair dismissal on the basis of a fair go all round. This is an example of government hypocrisy in the extreme. I move:

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

“the House rejects the Bill and:

(1) notes that the Minister for Employment, Workplace Relations and Small Business described the current Termination Provisions as contained in the Workplace Relations Act 1996 as having “delivered a workable system for dealing with unfair dismissal on the basis of a fair go all round”; and

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

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

(b) limits employees access to fair protection against unfair and unlawful termination”.

The unfair dismissal laws that this government inherited when it came to office in 1996 had themselves been through a process of revision. When Labor first introduced unfair dismissal laws back in its 1993 legislation we realised that there were some problems in its operation and administration. Before we lost office in 1996 we had amended those laws and substantially altered them so that many of the concerns that were identified and raised with us by various groups in the community had been addressed. We now deal with the third variation of laws, and the government wants to make further adjustments.

How does the government justify this effort to reduce Australian workers’ rights to a level less than they currently have? The principal argument advanced in support of this bill is a claim that the government, by going down this path, will somehow create more jobs. This is a novel approach to job creation. This is the dismissal led jobs growth plan. This is where you create more jobs by making it easier to sack people out of the jobs they already have. What an absurd proposition to advance in support of these moves. But that is the fundamental, core justification given by this government for its desire to take rights away from workers.

If there were some link between unfair dismissal laws and jobs growth or unemployment you would think that now, some
years on, we would be able to identify that trend. In fact, the opposite is the case. If you have a look at the unemployment figures since unfair dismissal laws have operated in Commonwealth jurisdiction you will find that unemployment went down. These laws were introduced by Labor in 1993-94. At that time the unemployment rate was 10 per cent. In the year that followed their introduction, unemployment fell to 8.4 per cent. If these unfair dismissal laws were supposed to prevent jobs being created, if they were supposed to make unemployment worse, you might have thought the unemployment figures would show it. No-one on the government side in any of the debates that have occurred on previous occasions on this issue has been able to justify that. In fact, the record shows that the opposite is the case. Not only did unemployment fall in the 12 months after we introduced our first set of unfair dismissal provisions; it continued to fall in subsequent years. There is no indication, no statistical data to demonstrate, that these laws are an impediment to employment—none whatsoever.

If that were the case, one wonders why there has not been a longstanding problem. In state jurisdictions unfair dismissal laws have been common in all states of Australia for generations—not for four or five years, but for decades. For generations the right of workers to protect themselves against unfair and unjust dismissal has been a common feature of state industrial law. Indeed, for some unions it was argued as a principal reason why they wanted to maintain worker coverage under state law rather than Commonwealth law. So for generations we have had this sort of protection available to workers under state law without any of the problems that the government now says exist as a result of its own laws. There is no evidence to support the contention.

There is also an enormous degree of hypocrisy on the part of this government in the way they have handled these matters. Back in 1998 the minister was speaking about changes he wanted to make at that time to these laws. He said this, in the House Hansard of 31 May 1998:

Right at the outset I say that there ought to be a proper course of appeal for people who are sacked so that they can ensure that their grievances are properly heard. Let us face it: from time to time some employers will do the wrong thing. They will get no truck from us. There ought to be in place a system to properly safeguard the interests of employees.

That is what Minister Reith said in 1998. He can talk the talk but he doesn’t walk the walk. This is another example of this government saying one thing and doing exactly the opposite. How could this minister with any degree of integrity or honesty say those words at the same time as he was trying to put through legislation to strip away pre-existing rights of workers to protect themselves against unfair dismissal? I am afraid it is a tactic we have seen all too often from this minister.

When it comes to the issue of what impact this has on jobs, a couple of contributions are worth noting. The government have time and again not just said that this would create jobs; they have told us how many jobs it will create. If we get rid of unfair dismissal laws from small business, for example, they have said that we will create 50,000 jobs. That is not something they have said once; they have said it repeatedly. They have said it on a number of occasions outside of the parliament and also in the parliament. I want to refer to a couple of such occasions. In February of last year Minister Reith said this:

Because, if you do that—that is, if you don’t support the unfair dismissal exemptions for small business—you will destroy the job prospects of 50,000 Australians in small business.

An unqualified blanket assertion—‘50,000 jobs’, he said. The Prime Minister, the next week in parliament, on 15 February 1999, was a little more circumspect. The Prime Minister is far more astute at saying things to produce a perception different to the facts. The Prime Minister for workplace relations is a bit more blunt—more inclined to the baseball bat, the balaclavas and the savage dog rather than finessing things. The following week, when the Prime Minister decided to pursue the same issue, he said this:
... if you can get rid of the existing unreasonable, unfair dismissal regime …

Let me remind the House that this regime which the Prime Minister describes as the ‘existing unreasonable, unfair dismissal regime’ is his own. It is the same regime that his minister described as ‘a fair go all round’. But now it does not suit them to hold that view. So it is exactly the same law described by the Prime Minister last year as ‘unreasonable’ and ‘unfair’. He went on:

A figure of 50,000 more jobs has been mentioned by representatives of the small business community.

Therein lies the difference. This mythical figure of 50,000 jobs exists because one man made a statement that 50,000 jobs would be created. Mr Rob Bastion, the Chief Executive of the Council of Small Business Organisations of Australia, COSBOA, made a statement that, if you got rid of unfair dismissal laws, 50,000 jobs would be created in the small business sector. We are entitled to ask: how did he arrive at that figure? I have had that conversation with Mr Bastion a couple of times and I guess it is fair to say that we do not see eye to eye, but let me tell you this: Mr Bastion cannot produce one report, one sheet of paper, one stamp with any writing on the back of it, to substantiate it. Where did he get the 50,000 from? He guessed. He thought it would be a good figure. How did he guess it? Off the top of his head he said, ‘I reckon about one in every 20 businesses would employ an extra person.’ Why one in 20? He does not know. It just seemed to him to be a good idea at the time. Mr Bastion claimed to represent the small workplace survey — that is, the people that Mr Bastion claims to represent. The most significant reason given as to why companies did not employ an extra person was that they did not need any more employees. The response of 66.2 per cent was, ‘We just don’t need them.’ That stands to reason. The next highest response, of 23 per cent, was, ‘Not recruited due to insufficient work.’ Again, commonsense would tell you that is why business would not employ.

There is one piece of empirical evidence which no-one can dispute. It is the only authoritative survey conducted of workplaces in this country in the last 10 years, and that is the Australian workplace industrial relations survey, normally referred to as AWIRS. That was a survey done in 1995 and, if memory serves me correctly, it was published in about 1997. It was the most comprehensive survey on workplace matters that has been done in a decade and arguably much longer. That survey did bring up some evidence about what influences small business in deciding whether they will employ people. I will quote from that — not from someone’s guess, but the most authoritative survey conducted in more than a decade.

These were the responses given in answer to a question on the reasons for not recruiting employees during the previous 12 months. This is the response from the small workplace survey — that is, the people that Mr Bastion claims to represent. The most significant reason given as to why companies did not employ an extra person was that they did not need any more employees. The response of 66.2 per cent was, ‘We just don’t need them.’ That stands to reason. The next highest response, of 23 per cent, was, ‘Not recruited due to insufficient work.’ Again, commonsense would tell you that is why business would not employ.

In most debates of policy as serious and as important as this, that would be dismissed as ludicrous and shunned. It is amazing that not only is that not the case here but also people such as the minister with responsibility for the portfolio and the Prime Minister of the nation repeated it, and they repeated it knowing there was not a shred of evidence to support it. That demonstrates just how callous this government has been in pursing this issue. It also indicates that what this debate is about is nothing to do with the economics and viability of businesses, nor is it anything to do with industrial relations. It is to do with a quite radical ideological agenda that this government has sought to run on industrial relations in a very divisive way since it took office.
government has ever accepted or engaged in a debate like the one we are now having. I invite it to do so on this occasion. It has squibbed it on past occasions.

The survey actually contained a reference to unfair dismissal. ‘Not recruited due to unfair dismissal laws’ got a total response of 0.9 of one per cent. Less than one per cent of small business operators in Australia, in the most authoritative survey conducted, said that was the reason they did not employ someone. Remember, this was a multiple answer and they could tick more than one reason. Less than one per cent even found it to be factor—not even the most important factor, just any factor. It did not register on the radar screen as an issue. That is the most authoritative survey anyone in this land can quote. I should remind people that it was done in 1995 when Labor’s laws were in place. You have to remember that these are the laws that the government said were so terrible they had to change them in 1996, to make them more friendly to employers.

If you have a situation where our 1995 laws were not seen by Australian small business to be an issue at all, why is it that laws that this government have put in place, that are even more friendly to the business community—described by the minister as a ‘workable system’—would create a bigger problem? The answer is that they do not. I should say that this government have done their best to talk this up as a problem. This government have gone out for the last four years—and prior to that in opposition—to create a self-fulfilling prophecy, to try to drill into the minds of business that unfair dismissals are a problem. So even though the business community said they are not, this government have done their best to spin the issue to make business believe that they have a big problem when they do not. That was their own judgment at the time. The government’s attitude is a great pity, but it does underline the ideological push behind this.

Let me turn to some of the specific provisions of the bill. One of the key aspects of the bill before the parliament is to change the way in which unfair dismissal applications are dealt with by the commission. At the moment, matters go before a conciliation hearing. A few people in this parliament have had some experience with conciliation hearings. Those who have would know that conciliation gatherings are informal with a minimum of legalese. They are discussions in which both sides talk pretty frankly and very often will come to some resolution because it is an informal gathering, there is a bit of give and take and you are able to sort out problems by getting to the hub of the issue without overburdening the process with legalities and formalities.

This bill is going to put all that on its head. This bill says that if a worker takes a matter to the conciliation hearing and the commissioner decides that the case is unlikely to succeed then the worker will no longer have the right to pursue that matter to get an actual judgment—to get a determination. What that will do is ensure that conciliation is now the first and final part of the process. It will require parties to conduct a full case. It will require them to present all of their evidence and to do it with all of the legalese and with all of the protections that you would normally have in a court hearing or an arbitration hearing—to do that up front. It effectively abolishes conciliation altogether, and that is frankly stupid. That could only be proposed by people who have never been involved in this process or by people who deliberately want to destroy the unfair dismissal process altogether. That will be the outcome.

I want to refer to some comments that have been made in past cases about the importance of this conciliation process. The first comes from a full bench hearing of the commission in the case Kumar v. Fisher and Paykel Manufacturing on 23 May 1997. As noted by Slater and Gordon, in a submission in evidence to a Senate inquiry into these matters, the representatives of the respondent company insisted that the conciliator form an opinion on the merits of the application. The conciliator declined to do so due to lack of evidence. The full bench held that: Parliament could not have intended the conciliation process to … take on the features of a mini-trial … Such an approach cannot be said to pro-
mote a fair and simple process of appeal against dismissal as to ensure that legalism is minimised. That is very important because what the full bench said—and remember this is the full bench of the commission—was that they could not believe the parliament would intend that the conciliation process take on the features of a mini-trial. The government is now trying to prove them wrong. The government now wants to put into the legislation precisely that point—to make the conciliation process a mini-trial, to do what the full bench said in 1997 parliament could not have intended be done.

It is not the only comment worth noting. My colleague the shadow Attorney-General has written a short paper on this issue. I will quote from a small part of it. He refers to another decision that draws on the same issue. This comes from a Federal Court case where Moore J. commented in Doyle v. Western Suburbs District Rugby League Football Club in 1994:

I should add by way of a more general concluding observation, that it is plainly undesirable that the details of what occurs in the conciliation process before the Commission are published in any general way let alone provided to the Court. The process of conciliation is one designed to enable a full and frank exchange of views between the parties with a view to settling the application on an agreed basis. If parties are aware that their discussions or the views of the Commission may later be published generally then their preparedness to be frank, or even to participate in the process at all, may diminish.

That is what Moore J. said in a court hearing on this very point. There is a litany of examples that could be given along the lines of the last two I have just read into Hansard that demonstrate the fundamental importance of that conciliation process not being confused with the arbitral process. Yet this government plan to destroy that. They cannot do that claiming; they do not know the effect. They are doing that for one purpose: to destroy the process by which unfair dismissal applications are actually dealt with. They will ensure that the conciliation becomes the first and final point and I think that will be a great injustice to all Australian workers.

There are a number of provisions in the bill that deserve comment. In the few moments left to me I will try and cover some of them. The bill proposes that the commission must take into account the size of the business when determining the merits of the case—the outcome of the case. This is a backdoor way of trying to get the parliament to agree to something that the parliament has now on at least two occasions refused to accept—that is, if you work for a small company with a limited number of employees, whether that is defined as 15 or 20 depending on the government’s mood, you are somehow to be given fewer rights. What that means is that you can be dealt with more harshly—you can be sacked unfairly and unjustly—and not have the same rights as a person in identical circumstances working for another, larger company. There is not one skerrick of moral fibre or principle behind that view, not one.

Workers’ rights in Australia should be the same. It does not matter which town or city you work in—at least it does not matter to us on this side of the House. The Treasurer is on the record as arguing that people in rural and regional Australia should be paid less. That was his job creation program for people in the bush, something that the minister for workplace relations also endorsed. But on this side of the House we take the view that people are entitled as workers to the same basic rights. And it does not matter which state of Australia you work in; it does not matter which company you work for; you are entitled to the same rights and you should be equal before the law.

That will not be the case if this bill is passed. People who work for small companies will in fact become second-class citizens in the eyes of the commission when it deals with unfair dismissal. They can be dealt with harshly and unjustly and will have no recourse. If the government argument about this were valid, it logically follows that this does not just apply to unfair dismissal. If the government’s argument had substance, why shouldn’t people who work for small business get three weeks annual leave instead of four weeks annual leave, for example? Why is it that someone who works for small business should have access to, for example, extended maternity leave? If the parliament accepts this bogus view put forward by the
government underpinning this bill, then, frankly, we put ourselves on a road to a destination that few Australian workers would want to go down.

The other thing that needs to be recognised is that the government proposal creates an enormous loophole. If you can advantage yourself by paying people less or by sacking them without having to worry about unfair dismissal as a small business, what will stop companies establishing a series of shelf companies to get below the threshold? We have already seen that happen in industrial disputes in the last few years. We have seen companies—not just Patricks, although they are always the example cited—restructure themselves so that they can strip rights and even payments away from workers. You may well work in a factory with 100 people and you may all think you are working for the same firm, only to discover when something bad happens that you are really working for one of 10 different shelf companies and that each shelf company has 10 employees in it. They all happen to be owned and run by the same person, but that would deny you your rights. To go down the path the government suggests here would open up a very substantial loophole through which any number of people could drive a proverbial semitrailer.

The bill also proposes to prevent workers receiving compensation for shock, for distress or for humiliation in circumstances of unfair dismissal. We are talking here about situations in which the commission has found the employer acted wrongly. The commission has found that the employer unfairly and unlawfully dismissed an employee and, worse, that they went about it in such a way that they caused that employee to suffer shock, distress and humiliation to such a level that they believed they should be compensated for that additional burden: the shock, the stress and the humiliation. Thankfully, these cases are few and far between. But it beggars belief that any parliament that sought to represent the rights of ordinary Australians citizens would say that if you have been put through all that—you have lost your livelihood, you have been shamed, you have gone through the trauma and you have been humiliated in the process by the way in which the employer conducted it—you are not entitled to anything else. We will not support that. These cases are very rare but, where they occur, the workers in those situations at the moment are entitled to additional compensation for that totally unconscionable behaviour of the employer, and they should continue to have the opportunity to get that additional compensation.

The bill also proposes to remove the opportunity for independent contractors to access the provisions of the bill against unfair dismissal, and we will not support that either, particularly in a climate where a growing number of workers turn up to work one day only to discover that the boss has decided that next week they will be engaged as contractors, not as employees. And next week they do exactly the same job they did the previous week, it is just that technically they have been engaged as contractors. There are many examples I could give of that but I do not have the opportunity in the time remaining. It is clear that those situations warrant the protection of unfair dismissal laws and that that protection should be retained.

The final matter I wished to mention is demotion of employees, which, of course, is a contrived way to get someone out of the organisation without sacking them. We believe existing rights should continue. This bill is designed to hurt ordinary Australian workers—as have so many of the government’s industrial relations laws. The bill strips away rights that Australian workers currently have and should continue to have. The Labor Party will oppose it. We will oppose it in this House and we will seek to expose it in the Senate. (Time expired)

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

Mr Martin Ferguson—it is my pleasure to second the member’s second reading amendment and, in doing so, I reserve my right to speak in the debate.

Mr Lindsay (Herbert) (11.11 a.m.)—I think there is a pretty fundamental issue missing from this debate in the parliament today on the Workplace Relations Amendment (Termination of Employment) Bill 2000. The fundamental issue is that the most
important asset of any business, of any employer, is the staff. Without good staff a business does not run well. The last thing that any manager, business owner or proprietor would ever consider doing to his business is to invoke industrial laws to remove staff who happen to be doing a terrific job. It just does not happen in the real world. It does not happen because taking away your best asset damages your business. That has not been recognised in this debate and it needs to be recognised.

The reverse is happening, though. Time after time I have noted when talking to small business people that they are very careful about employing people because of the ramifications of the current laws. The bill before the parliament makes it much safer for employers if there is a problem and much easier for both employers and employees if there is a problem.

In the context of the bill, I think it is instructive to compare the performance of the opposition and the government in industrial relations. After this comparison there will be a compelling conclusion, and that is that workers do better under a coalition government then they ever do under a Labor government. I know that is not the rationale that is out there in Australia, but it is the fact of the matter. We should be looking at this bill in that context; that is, the government does not lightly put up changes to industrial relations without good reason and without thinking of the best interests of both employers and employees.

As a background, I look at Labor’s record in the last 13 years, where awards fell in real terms. What kind of a result is that? It is fundamental to what Labor tends to argue, but in practice it does not occur. During the last financial year of the Labor government, real wages growth was nothing. By comparison, in the last financial year of coalition government, we brought real wages growth of 3.7 per cent. That is why you see the minister talking about more jobs and better pay, because the government delivers. I also point out that, under the Labor Party, agreement making was controlled by third parties, who are mainly trade unions and industrial tribunals. It was complicated, highly regulated, time consuming—

Mr Bevis—Mr Deputy Speaker, I raise a point of order. Both the bill and the amendment deal specifically with unfair dismissal, and the member for Herbert has been talking now for some time and has not been referring to unfair dismissal but to a range of other industrial relations issues. I think it is beyond the scope of the bill or the amendment.

Mr DEPUTY SPEAKER (Mr Nehl)—I thank the honourable member, and I say to all members that it is consistent with the standing orders that, when considering any piece of legislation or motion before the House, members’ comments must be directed to that. As the member for Brisbane would have observed, I was in conversation with someone else and was not listening, but I will be listening. The member for Herbert will address the bill.

Mr Lindsay—In my opening remarks I specifically said to the parliament that this bill needs to be considered in the context of both the government’s and the opposition’s reforms.

Mr Bevis—Just because you said it does not bring it within the standing orders.

Mr Lindsay—It does, because the context of what has happened with workplace relations underlies what this bill is all about and why it should be approved by the parliament—because of the government’s record and because of the opposition’s record. So I intend to make it completely clear what my position is and why it is.

Mr Deputy Speaker, I would remind you that, as I was saying, agreement making was controlled by third parties and was complicated, highly regulated, time consuming and costly. This bill removes a lot of that. Awards remained complicated and detailed means of regulating workplaces which placed limits on part-time work and forced women seeking flexible hours into casual work—a bad outcome for the workers in this country.

Mr Bevis—Again I raise a point of order, Mr Deputy Speaker. I am sorry, but the member for Herbert has continued to talk about a range of issues associated with awards and agreements, none of which has to
do with termination of employment, this bill or the amendment. The fact that he said at the outset of his contribution that he wanted to put it in some context does not put it within the purview of standing orders just because he said it.

Mr DEPUTY SPEAKER—I thank the honourable member for Brisbane. I add to the comment I made earlier that the guidelines covering discussion of bills refer in particular not just to the short title but to the long title, and the long title of this bill says ‘relates to termination of employment, and for related purposes’. It has been the general understanding of the House that ‘for related purposes’ does cover a range of activities associated in this case with industrial relations. As soon as I can, I will listen carefully to the member for Herbert, and by saying that I do not give him licence to stray, merely to talk about related purposes.

Mr LINDSAY—The member for Brisbane does not like hearing the comparison I make. I think it is important to look at the comparison between the government’s and the opposition’s performance and relate it to what is being proposed in this particular bill. It is very important to see that there is a track record and that the electors of Australia can understand that the government has done some very good things in regard to industrial relations. I might say that some of the coalition principles have been to allow a fair day’s pay for a fair day’s work and reward for effort. Goodness me, haven’t we done that? We have endeavoured to make the system work better for the unemployed and the underemployed as well as those in jobs. We have maintained an effective safety net for the low paid through the award system and through the no disadvantage test. We have encouraged high labour productivity, higher wages, workplace choices and individual freedoms. We have streamlined and simplified the workplace relations system, and that is what this bill is all about—streamlining and simplifying the workplace relations system and putting the emphasis on the workers and business, not on institutions. I also observe that in the life of the previous government unions became aloof and distanced themselves from workers. I guess that the workers, the customers of unions, voted with their feet and left the unions in great numbers.

In relation to this bill, I think that the more jobs, better pay philosophy of the government epitomises the government’s commitment to Australian workers and showcases our legislative reform in this our second term of office. The Howard government’s commitment to workplace reform is evident in legislation we have already introduced since the 1998 federal election, dealing with small business unfair dismissal exemptions, superannuation, youth wages and multiple reform issues in the Workplace Relations Amendment (More Jobs, Better Pay) Bill 1999. Sadly, although this House passed the legislation, with widespread support from the community, those opposite and the Australian Democrats blocked this reform. Due to the Democrats’ request to consider legislation on a piece by piece basis, the government is now in a position to introduce further single issue bills drawn from the Workplace Relations Amendment (More Jobs, Better Pay) Bill 1999.

This bill proposes amendments to the termination of employment provisions of the Workplace Relations Act 1996. It is designed to maintain the fair balance between the rights of employees and employers whilst addressing some of the procedural problems that have become evident during the operation of the act. The bill contains a wide range of provisions designed to reinforce disincentives to speculative and unmeritorious unfair dismissal claims, to introduce greater rigour into the processing by the Australian Industrial Relations Commission of unfair dismissal applications and to remove unnecessary procedural burdens that unfair dismissal applications place on employers. What could be wrong with that? I understand that the Democrats have consistently opposed removing the right to access unfair dismissal provisions but have always supported improvements to the process; more specifically, simplifying the commission’s proceedings to prevent employers from being forced to pay hush money to litigious but unworthy employees—a terrible process that I have seen on a number of occasions, not only in this area of employer-employee relations. I note that the Industrial
Relations Commission supports this. Specifically, in a recent decision involving an application for costs against a legal practitioner whose conduct had resulted in the other side incurring costs unnecessarily, the commission suggested that a reconsideration of the limits imposed by the current costs provisions may be in the interests of justice.

I am pleased this bill proposes to make amendments that will ensure that the laws do provide a fair go all around. The costs provisions of the act will be amended to allow the Industrial Relations Commission to make orders for costs against parties in respect of a wider range of proceedings and in relation to a wider range of conduct. This bill gives the commission the discretion to require an applicant who is seeking a remedy in respect of termination of employment to provide security for costs. This will also serve as a disincentive to unmeritorious or speculative claims. Again I ask the parliament: what could be wrong with that? This bill also addresses the roles of legal representatives and advisers by enabling the commission to ascertain whether they are engaged on a costs or contingency arrangement.

I am pleased that this bill has a number of amendments that are designed to improve the efficiency of the process for conciliating and arbitrating claims. To ensure the smooth processing of claims, this bill confirms that the commission may hear applications by the respondent to have an application dismissed for want of jurisdiction at any time. It confers express power on the commission to dismiss an application where the applicant fails to attend a hearing. That seems pretty sensible to me. The bill includes amendments to clarify the circumstances in which out of time applications should be accepted. The bill also includes amendments—to the requirements for the issuing of conciliation certificates—which will improve the effectiveness of the conciliation process and reduce the number of unmeritorious cases which proceed ultimately to arbitration.

This bill takes the needs of employers into account. As you would be aware, Mr Deputy Speaker, unfair dismissal claims can be a particular burden on certain types of businesses, especially small businesses, in certain circumstances. This bill contains a number of provisions to assist in reducing such special burdens. One of the most important provisions is the proposal to require the commission, when determining whether a termination was harsh, unjust or reasonable, to have regard to the size of an employer’s operations and the degree to which this would likely affect the procedures followed by the employer. This is eminently sensible in the current Australian workplace environment. This would enable the commission, where a respondent employer is a business which is too small to have a separate human resources function, to determine that different procedures may be reasonable for such a small business compared to a larger business with greater resources, specialised personnel and a greater capacity for more formal procedures. This recognises in a practical way that expectations as to administrative processes need not be the same in smaller businesses as they are in larger businesses.

Termination of employment on the ground of operational requirements presents a particular situation in which it is inappropriate for there to be scope for unfair dismissal claims to be made. These situations are difficult for both employers and employees alike. If an employer establishes that terminations were genuinely required for operational reasons, the employer should not then be required to justify the fairness of those terminations in the commission. It is important to note, however, that this will not prevent employees making applications in regard to unlawful termination in such circumstances.

This bill proposes amendments to ensure certainty in jurisdiction. The act is designed to ensure that federal award employees who are not employed by an employer within the constitutional reach of the unfair dismissal provisions of the act are still able to apply for a state unfair dismissal remedy. The unintended effect of these amendments has been to enable forum shopping between federal and state jurisdictions. This undermines the authority of the legislation, results in inconsistency of treatment and creates considerable uncertainty for employers concerning their obligations. Amendments in the bill will remove the scope for forum shopping by po-
potential applicants. This is another example of the government simplifying the industrial laws for the benefit of all parties.

Another uncertainty for employers can arise under the current provisions which enable an employee to bring multiple actions under the Workplace Relations Act in respect of the same termination. The bill will ensure that only a single application can be made in respect of a dismissal, ensuring that, once an employee has had his or her day in court, the matter is settled. Surely that is sensible and in the interests of all parties. Two other amendments in the bill aimed at ensuring certainty in jurisdiction will make it clear, firstly, that independent contractors do not have a remedy for termination of employment—this is consistent with the original intent of the Workplace Relations Act—and, secondly, that the demotion of an employee does not constitute termination of employment where that demotion does not result in a significant reduction in remuneration and the employee continues to work for that employer. As I said earlier, I wholeheartedly support this bill. It is part of the government’s thrust to deliver better pay and more jobs in the economy. It follows the coalition’s consistent track record in industrial relations. It underpins the growth of jobs in the economy, with the Australian labour market now having the best employment level for some 10 years. This bill will result in even further employment. I certainly support the bill today and I hope that it will get support to go through the Senate.

Mr McCLELLAND (Barton) (11.30 a.m.)—The last speaker hit the nail on the head: this bill is a fundamental assault on the job security of Australian workers and consequently their families—their wives and their children. It affects their ability to keep their children in school and to keep a roof over their heads. The Workplace Relations Amendment (Termination of Employment) Bill 2000 is all about job insecurity. Why? Because it is removing the protection of unfair dismissal provisions in circumstances where the dismissal results from the operational requirements of the business. That is your classic redundancy situation, where the dismissal is the result of technological change or restructuring. In those circumstances, Australian workers will have their rights removed through this legislation. As the previous speaker indicated, this does not apply in circumstances where the termination might fit into the category of an unlawful, rather than an unfair, dismissal. For instance, the case of a homosexual worker who was dismissed might fit into the unlawful dismissal category because the dismissal could arguably be on the basis of sexual preference. Or, for example, the case of someone who is not of the mainstream Anglo-Saxon background might fit into the unlawful dismissal category, because conceivably there may be an argument in those circumstances of redundancy that they had been dismissed on the basis of race. Another example could be the case of someone with a particular disability—again, conceivably they could fit into that category of unlawful termination, arguably having had their employment terminated on the basis of that disability.

But the ordinary Aussie—not that these people are not ordinary Aussies—the Australians that are not in those categories, the Prime Minister’s mainstream Australians, do not have that option. They have lost their job security as a result of this government’s fundamental assault on them. In my career as a lawyer before becoming a member of parliament, I saw many instances of families devastated as a result of redundancy situations. It is one of the real fears of Australian families. They have two primary fears: the first fear is that when their children are young they are going to succumb to the scourge of drug abuse; the second fear comes later on, after the age of 40 in particular, and it is the real fear of redundancy. Australians, if this bill goes through you have lost your rights; you have lost your job security. The government has already removed, as an allowable award matter in section 89A, the ability to include in those awards provisions relating to redundancies, provisions such as the obligation to notify people of proposed changes and to consult and negotiate before that occurs. This government is all about taking away the security of Australian workers and their families.

When you get into the detail of the bill, you see that it is quite reprehensible. It is one
of the most unjustified assaults on the most vulnerable in our society. We would all know someone whose employment has been terminated. It could be someone my age or older with all the insecurity that they would suffer, or it could be someone just starting out in the workforce with all the consequences it would have for their self-esteem. To be sacked from a job unfairly is demoralising, and it can set young people back for such a long period of time and affect their total perception of life. We would all know someone who has suffered that consequence. Their rights have been effectively removed or at least minimised to the extent that any prospect of getting through this mire is totally inconceivable.

You can look at employment in two ways. We would all like to look at employment in terms of the opportunity it provides for someone to develop their skills, to earn income and to support their families. It provides the opportunity to achieve their desires, at least to a material extent, to engage in activities that may cost money and certainly to raise a family. Importantly, it also means that they will be contributing to the national economy. That is one way that we would all like to look at employment. The other way of looking at employment is to see labour as simply a business input to be exploited and discarded. It is a desolate scenario when that is all that labour becomes. And that is all that labour is to this government: a resource to be exploited and then discarded without remedy. That is how the government is regarding the labour force of this nation. Ordinary workers and their families are seen as just a resource to be exploited and then discarded without remedy. That is what we are talking about in regard to this legislation.

I will go through some examples. For instance, the proposed section 170CCA proposes that this legislation will cover the field, as a previous speaker indicated, to exclude any alternative remedy in respect of Commonwealth public sector employees, territory employees and federal award employees. The government has not looked at the fact that under section 170CBA(4) a remedy for dismissal is given only to those employees who are employed in the Commonwealth public sector, by a territory or by a constitutional corporation—that is, the corporations that we traditionally have regard to. But there are many employers who are none of those things; they are sole traders or partnerships, for example. Indeed, my legal firm was a partnership. It was not a corporation, nor could it be in most states of Australia now. In the rural industry, for instance, there are many sole traders who are respondents to federal awards by virtue of their membership of industrial organisations of employers. Their employees will be left without remedy if this bill goes through, because they are not employed by one or other of those entities yet they are employed under federal awards. That shows the poor draftsmanship of the legislation and how it will remove rights for rural workers, who are so vitally important to rural and regional Australia. This is another instance of how this government is biased against the interests of ordinary Australians and ordinary Australian families living in rural and regional Australia, people who will be particularly hard hit by that provision.

The other change is the significant shift in emphasis about when an application can be filed out of time. It is shifted from circumstances in which it would be unfair not to permit the filing of an application out of time to circumstances that it would be equitable to accept the application. That in itself is perhaps a matter of semantics, other than when, in prescribing the test that the commission must apply, they have to have regard to whether acceptance of the application out of time would prejudice the respondent and also the merits of the substantive application. Who are the people likely to be affected by those restrictions in filing applications out of time, which is, I think, 21 days? It may be 14 days, I cannot presently recall, but in any event a period of a few weeks. They are going to be people who do not have access to advice. They are going to be non-unionists—paradoxically, despite this government’s assault on unions, they are ready on hand to provide advice—and, again, they will also be people living in rural, regional and remote Australia who have difficulty accessing advice through a trade union or through a lawyer. This bill will be contrary to their circumstances. In terms of promoting flexibility and
ease of procedure, effectively it is going to compel a mini-trial at that time. Again, people from rural and regional Australia will be particularly hard hit by these amendments.

The compulsion on the commission to hear, instantly that it is raised, the question of want of jurisdiction is also extremely short-sighted and indeed could be costly, particularly now that, if this bill goes through, want of jurisdiction could be for all kinds of technical reasons, such as an argument that someone had their employment terminated because of a redundancy situation. If this bill goes through, the jurisdiction of the commission will be removed in those circumstances. So there would be a mini-trial as soon as the question is raised as to whether the person was terminated because of that redundancy situation or some other issue. So, rather than giving the commission the discretion to say, ‘These issues are tied up in the overall merits of the application,’ and rather than compelling an applicant to have two goes at it and to incur the cost of lawyers in two instances, ‘We would like to deal with it all under the one roof and at the same time.’ Again, it is short-sighted from anyone who has had experience in these jurisdictions.

Perhaps the most severe and short-sighted aspect of this bill is the requirement for conciliation commissioners to issue conciliation certificates after they have attempted a conciliation of a matter. They must indicate in that certificate, as the proposed section states:

... having regard to all matters before the commission for the purposes of the conciliation, on the balance of probabilities—

I emphasise the words ‘on the balance of probabilities’—

the applicant’s claim in respect of the ground ... is likely to succeed.

I also emphasise the word ‘likely’. How can you have an effective conciliation when so much depends on how you persuade the conciliator? Again, you are going to compel a situation where, rather than people talking frankly and trying to come up with compromises, they will be effectively trying to run their case. From an employer’s point of view, why would you in a conciliation make any offer of settlement when the mere act of doing so would suggest to the commissioner deliberating in the conciliation that you considered the case had some merit? It would be entirely counterproductive to the possibility of settlement. Most members of the Australian Industrial Relations Commission are pretty fair-minded people and they will say, ‘How can I adjudicate and determine these matters on the balance of probability at this point?’ They will lean in favour of granting the certificates, in which case the fact that a certificate has been issued at that point will actually swing back and apply against the employer. At the ultimate hearing, this conciliation certificate will be on the file and the tribunal will say, ‘At conciliation, the conciliation commissioner thought this was a good case.’ So it is completely illogical.

The importance of conciliation has been stressed in a number of cases. The shadow minister for industrial relations previously referred to a case of Doyle v. Western Suburbs District Rugby League Football Club where Justice Moore of the then Industrial Court said that the desirability of having conciliation behind doors, without the prospect of it infecting consideration of the final merits of the case, speaks for itself. Clearly, His Honour’s view, which is based on extensive experience at the bar, with the Australian Industrial Relations Commission and now on the Federal Court, must be listened to. It is absurdly short-sighted to create this compulsion of conciliation certificates. Indeed, it is going to open the door for all kinds of challenges. There are authorities under which the Australian Industrial Relations Commission must conduct itself, in accordance with the principles of natural justice and procedural fairness. How can it issue such a significant certificate, making findings in respect of the prospects of success, in circumstances where it has not availed a party of the opportunity of testing evidence under cross-examination and the like? As soon as these certificates are issued, matters will go straight off to the High Court to challenge one of these certificates on the basis that there has been a failure to comply with the principles of procedural fairness, unless the conciliators effectively have a mini-trial at that point.

There are a number of other technical issues involved in the bill, but I return to the
issue of employment security—the fact that workers will have their right to unfair dismissal cases removed in redundancy situations. That is completely contrary to the custom and practice which developed in this country during the last part of the last century, certainly since 1968 when the Commonwealth Conciliation and Arbitration Commission said this, which is worth noting:

When employers are contemplating the introduction of computers and other automatic devices which may have serious effects on employees such as termination of employment or transfer interstate it is essential that both the employees and the union concerned should be informed of and involved in the planning as soon as possible. Many real human problems may be involved which may not be known to company executives and they, with the best will in the world, may take steps which do not help to solve them. It is our view that employees and their welfare are as important in the planning of a change of the kind we have had to consider as any other aspect of the change and that they, both individually and through their union, should be brought in at the planning stage.

Clearly they should. Also, in the context of that same issue, in the Federated Clerks v. Victorian Employers Federation—and again this has to be commonsense to fair-minded Australians—Justice Wilson said:

Consultation between employers and employees, preceded by the distribution of adequate information is not only sensible but essential if commerce and industry are to meet the challenge of progress in a spirit of harmony and with some regard for human dignity.

This government is not about human dignity; it is about trying to drive a wedge in. If you look at the access to justice issues, not only is the government scapegoating those who have been terminated from their employment but it is trying to scapegoat lawyers in this round. The government will compel lawyers to disclose contingency fee arrangements. Why are we talking in Australia about a contingency fee arrangement? We are not talking about a situation where lawyers can charge a percentage of a verdict, because that is unlawful in Australia. We are talking about a situation whereby lawyers will waive their fee if they are unsuccessful. Primarily in this area, in my experience in dealing with practitioners, the reason they waive a fee is that someone who has been given the punt from their job and has lost the case simply does not have any money to pay the lawyers. That is why lawyers waive their fees. But the government is implying that there is some sinister motive for doing cases on the basis that, if they do not succeed, they waive their fees.

The bill will significantly shift the risk of suffering a costs order against applicants. Instead of the current test of whether they have commenced proceedings vexatiously or without reasonable cause, it will shift to whether they have acted unreasonably in failing to discontinue a matter. It is a much more severe test as to whether they could have foreshadowed that they would not succeed in their case. The lawyers are again brought into this equation because, if it will compel a situation whereby applicants will not be able to appear themselves if they want to avoid the costs order, they will effectively be compelled to obtain legal advice. Even then, there are severe penalties brought against lawyers if they are found to have been encouraging applicants to make or to pursue applications if, on the facts that have been disclosed or that reasonably ought to have been apparent to the adviser, the adviser should have been or should have become aware, that there was no reasonable prospect of success in the application. The lawyer bears the onus of proof. In no other area of the law does this occur. If the bill is passed, we will be intruding into the solicitor-client relationship because, to discharge that burden of proof, the lawyer will effectively have to disclose the confidences that they have received from their client in the course of discussions in preparation of the case. Not only will the lawyer suffer a cost penalty, in those circumstances a body corporate would suffer a penalty of up to $10,000 and an individual $2,000. Again, this whole conciliation certificate issue very much comes into play and is very relevant as to the question of whether the case is justified.

You would intrude into the rights of ordinary Australians only if there were some compelling reason to do so. All the studies indicate that the prospect of facing an unfair dismissal action is not a motivator in employment considerations. A survey by the
Australian Workplace Index in 1995 showed that it factored as a consideration in only 0.9 per cent of cases—in less than one per cent was it an issue. It is a farce to suggest that this bill is for economic reasons; it is for scapegoating. (Time expired)

Mr ST CLAIR (New England) (11.50 a.m.)—The single biggest hampering of employment in my electorate of New England is the current unfair dismissal legislation. Today, I rise in support of the Workplace Relations Amendment (Termination of Employment) Bill 2000. When this bill becomes an act, it will reward effort rather than failure, which the current legislation supported by the Labor Party does not. No worker in this nation should ever worry about losing their jobs if they are doing their job properly; however, there is now a mentality that is set into some workers in this great place—and I believe that it is not only the minority—who believe that they cannot get fired for non-performance. That is wrong.

As I go around my electorate and talk to the small businesses, of which there are literally thousands, there is one very clear thought coming out of each of those small businesses—that if the current termination of employment legislation did not exist they would hire more full-time staff. The fear of being taken to court for dismissing someone who failed to complete their given tasks over a period of time has, without question, restricted job growth. This legislation makes it fairer for both parties involved.

We have heard a lot in this place over the last two years about the question of growth in part-time jobs and what effect that is having. People seem to fail to understand, particularly those on the opposite side, that casual jobs are created because employers do not want to put on people full time. They do not want to put them on full time or permanently because they believe they may not be able to move them out or fire them. The Workplace Relations Amendment (Termination of Employment) Bill 2000 contains a range of provisions. In the minister’s second reading speech, he identified three outcomes that would be brought about due to these provisions: to reinforce disincentives to speculative and unmeritorious unfair dismissal claims; to introduce greater rigour into the processing of claims for remedy against dismissal by the Australian Industrial Relations Commission; and to remove unnecessary procedural burdens that such applications place on employers. Therefore, this bill will address some procedural problems that have become evident during operation of the act.

The key provisions of the Workplace Relations Amendment (Termination of Employment) Bill 2000 were initially in the Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999, which was passed in the House on 29 September last year. The Senate Employment, Workplace Relations, Small Business and Education Legislation Committee reported on the bill on 29 November 1999. The More Jobs, Better Pay bill has still not been passed in the Senate. The government has reintroduced these key provisions, and this bill attempts to address the reported situation of employers being forced to pay hush money to litigious employees by modifying commission procedures, particularly the payment of a security up-front in case the applicant later has to pay the respondent’s costs. It will allow applications for costs against the legal practitioner whose conduct results in the employer incurring costs unnecessarily.

I, like many others, know how damaging these current unfair dismissal laws are. As a small business operator I have actually been through the Industrial Relations Commission on a charge of unfair dismissal. I was found guilty in that particular case and paid six months salary to a former employee. At the time it happened, it was interesting to see that the commissioner whom we were before accepted the evidence given by a former employee, who had resigned of his own free will—and he did that in front of me and two other of my employees. In finding against me, the commissioner found that I had been untruthful, that the other two workers had been untruthful and that the person who had gone had been truthful. Having employed people in small business for well over 20 years, it was interesting to note—and it is why one wonders about the faith some have in the commission process—that the commissioner who heard this case had come
through the ranks of a union—as I understand it, through the ranks of the Electrical Trades Union. I was appalled at the decision. I still am. It was interesting to hear the previous speaker talk about lawyers, the legal profession and the question of waiving costs. The legal firm that represented me waived their fee for me because they too were disgusted that this was the sort of thing going on, hampering small business in this country.

It is a shame, really, that there are members elected to this place who have never employed people, have never been in small business, who do not understand small business and who have the sole intention of restricting opportunities for the Australian workforce, particularly for permanent employees. Unlike this government, the Labor Party and the Democrats are out to force a stop to any reforms of the Workplace Relations Act. These reforms that have been put up by this government, only to be knocked on the head by the opposition, are vital to the future generations of Australians. For people to stand in this House and suggest that the current unfair dismissal legislation does not affect small business and those who employ fewer than 15 employees means that they are obviously well and truly out of touch with what happens in the workplace among those of us who employ small numbers of people.

The coalition’s Workplace Relations Act 1996 allows employees and employers to negotiate improved pay for improved productivity at the enterprise level. The act provides for a genuine award safety net for low paid workers and establishes the right to freedom of association. Since 1996, since the coalition has been in, only 92 working days have been lost per 1,000 employees due to industrial action, compared with Labor’s average of 190 working days lost per 1,000 employees. Most industrial action today occurs in the Labor governed states, and I have said that before. In February, 92 per cent of industrial action was in the Labor controlled states of Victoria, New South Wales and Queensland.

This government has an outstanding record of achievement when it comes to workplace relations and industrial relations reforms. I would like to remind the House of a few of those highlights since this government came to power. We have increased total employment, to an historic high of over nine million jobs, seasonally adjusted—that is up by over 699,000 jobs since Labor left office. In April Australia broke that nine million jobs mark—a significant number. This rate of job creation has been twice as fast as jobs growth under Labor. Annual jobs growth under the coalition has averaged 171,300 jobs, compared with just over 70,000 under the Labor Party.

Full-time jobs have been this coalition’s hallmark. Over the year to April 2000, employment increased by a seasonally adjusted 291,900 jobs, of which over 70 per cent were new full-time jobs. If the unfair dismissal legislation had been amended, particularly with respect to those businesses that employ fewer than 15 employees, we would have seen a significant increase in the number of permanent jobs. Full-time jobs have grown by 381,000—over seven times more new full-time jobs than Labor created in its last two terms of government. This government has reformed the waterfront. With the assistance of the government’s industry funded redundancy scheme, overmanning has been dramatically reduced and net rates of 30 containers per hour are now being achieved. This is almost double the previous rate and is being achieved with gang sizes half what they were. Productivity is therefore approaching a 400 per cent improvement. The government has fulfilled its commitment to increase the number of apprenticeships—a substantial increase of over 241,000. We introduced the Work for the Dole scheme—strengthening the experience, skills and work ethic of those seeking employment in small business, which is still being hampered by unfair dismissal legislation.

One of the key problems facing the job seeker is the unfair dismissal legislation. The unfair dismissal system cost jobs and broke the confidence of employers to hire new staff. It also introduced suspicion and antagonism into the workplace. Even after the 1996 and 1998 elections, Labor combined with the Australian Democrats four times to vote down the coalition government’s legislation to exclude from the unfair dismissal
system small businesses with fewer than 15 employees. I refer to the second reading speech by the Minister for Employment, Workplace Relations and Small Business. In conclusion he said:

The right of the coalition to implement its workplace relations mandate, subject to constructive Senate review, is a principle that has been acknowledged by the Democrats—and one that they should now act upon.

On 15 June 1996, the then Leader of the Australian Democrats, Ms Kernot—now a Labor shadow minister—said on the issue of workplace relations:

The Democrats accept that the government has been elected to govern and that it has its right to present its legislative program to the parliament for consideration. But the Democrats have been elected to do a job, and that is to closely scrutinise legislation to ensure that it is fair, and workable and the best solution to an identified problem.

She went on to say:

... the Democrats have no intention of being obstructionist in this Senate.

I will repeat that: ‘The Democrats have no intention of being obstructionist in this Senate.’ Ms Kernot continued:

As we have done for 15 years of holding balance of power, we will carefully review legislation, suggesting ways to make it work better if possible.

The unions have restricted employees and employers in the agreement outcomes they could opt for, thereby limiting the scope to obtain improved pay in exchange for productivity improvements and reform of conditions.

This government, compared with the Labor Party of Australia, has encouraged high labour productivity, higher wages, workplace choices and individual freedoms. This government has streamlined and simplified the workplace relations system, putting the emphasis on the workers and business, not on the institutions, and has worked to ensure that unions operate on the same basis as other service organisations and win members by offering improved services, not by special legislative privileges. Union bosses are now equal under the law and cannot inflict illegal economic damage without being accountable to the ordinary courts. Labor’s policies on workplace relations are nothing short of a joke. No Labor Prime Minister or industrial relations minister ever attempted to establish a scheme to protect workers’ pay and entitlements from business insolvency. Eight separate accords, negotiated with the unions over 13 years, were also unable to propose a solution. The ACTU’s own figures suggest that 221,000 workers were left unprotected by the Labor Party and lost around $1¾ billion of their entitlements. Employees were not able to make a free choice as to whether or not they wished to be a member of a union, and received limited assistance if they confronted any difficulties in exercising their rights. Indeed, union closed shops and union preference clauses were encouraged.

Labor believes in increasing the power of unions and widening the role of the Australian Industrial Relations Commission. These policies are little wonder when Labor’s parliamentary ranks are stacked with ex-union officials. Labor is opposing the implementation of the coalition election promises that would deliver more permanent jobs and better pay—what we want in small business.

The unions’ wish list is forced on the ALP by the millions of dollars in political donations made to the ALP during each federal election campaign. In 1983 unions controlled fewer than a third of Labor’s Senate seats; whereas today over two-thirds are ex-union officials. Of the members on Labor’s front bench here, 71 per cent are ex-union officials, union lawyers or student union officials. Labor would take Australia back to the 1970s policies, which would hinder Australia’s performance in the international economy. Labor’s backward policies will cost Australian workers their jobs, undermine their security and damage investor confidence, which is required to further reduce unemployment.

Now let us look at the Labor Party’s agenda for workplace and industrial relations. The Labor Party, if and when re-elected—God help us if they are; God help small business if they are, after the last destruction—will act as a negative spoiler in the parliament. We have seen that for two years—a negative spoiler in the parliament, blocking and opposing job creation initiatives and proposals. They will give back to unions the effective veto over every workplace
veto over every workplace agreement by returning the right for invited union intervention in agreement making and by providing a right of entry into every Australian workplace whether the affected workers want the unions there or not. They wish to abolish thousands of workplace agreements legally made between individual employees and employers in favour of union control over collective bargaining. They wish to impose ‘one size fits all’ arrangements on unwilling businesses and employees; to allow unions to discriminate against non-unionists; and to enable powerful unions to acquire more power in sensitive industries like mining and building.

Labor would even try to force non-union employees to pay compulsory fees to unions for services that they did not request. Labor’s union sweetheart deals are already being implemented by state governments in New South Wales, Queensland and Tasmania. They are in support of the New South Wales Labor policy of forcing every non-union employee to pay amounts equivalent to annual union fees of between $200 and $500 a year to the union of the ALP’s choice—another tax. They would use Commonwealth powers to override workplace agreements made under state industrial relations systems, and force workplaces, particularly small businesses, out of the state systems and into federal awards. They would compromise the rights of agreement making and of freedom by association by abolishing the federal Office of the Employment Advocate. In January 1998, Labor deliberately removed any protection for voluntary unionism from their final platform policy, despite its being there in an earlier draft. They wrote small, independent contractors into the federal industrial relations system, regardless of whether they consented or not, and allowed massive increases in unfair dismissal claims, causing unjustified expense for small business and worsening prospects for unemployed Australians. It is time that the opposition and the Democrats started rewarding effort and success rather than rewarding failure as their current policies do. This bill is important to increase jobs in rural and regional Australia. I live in rural and regional Australia. I understand what the problem of unfair dismissal is at the grassroots for small businesses employing under 15 people. (Time expired)

Mrs CROSIO (Prospect) (12.10 p.m.)—Before I actually come to the Workplace Relations Amendment (Termination of Employment) Bill 2000, I would like to remind the member for New England that members on his side of the House are not the only people who have employed staff or run small businesses. I and my husband have done so for 27 years with five employees, so I do know what I am talking about when I talk about small business. Fortunately, I did not have the problem with my staff that the member for New England had with his employee. So I can only assume that I must have either run the staff well or got on well with them because a lot of them were long-term employees. I would also suggest to the member for New England that he read the bill. Nowhere in the bill does it mention the ALP. But what I do find is that the government repeatedly comes into this House without anything to say in debate, other than trying not to condemn the bill before the House, and brings up cheap political shots. People at large will not accept that.

Since this government came into office in 1996, they have methodically set about driving a stake through the heart of the industrial relations system. Any notion of fairness or equality in the current industrial relations system went out the window as soon as Minister Reith got his hands on that Workplace Relations portfolio. This government’s second wave of industrial relations reforms,optimistically named the More Jobs Better Pay bill, was rejected by the Senate because it was an unworkable set of reforms that stood against Australians’ notion of fairness and equality in workplace relations. This bill is nothing new. In fact, it is only the second wave reintroduced in the form of bits and pieces in single interest bills in the hope that it will be passed now by the Democrats in the Senate. By introducing bills into the House in this fashion, the government are simply rolling over to the demands of the Democrats. The Democrats have said to the Minister for Employment, Workplace Relations and Small Business: ‘If you want these industrial relations bills passed, you will introduce them in
the way that we want them, with all the amendments we want in.’ Well, the minister has gladly obliged. In fact, what he has done is a backflip with a double twist—very easy to do if you have not got a spine. That is why he has been able to achieve it: he has no spine.

This government calls itself a coalition government with its partner the National Party, but recently the coalition looks more like a Liberal-Democrat coalition. I am sure that many National Party members would agree that they are not getting their fair share out of this government. That is why I was surprised to hear what the member for New England, who purports to be a member of the National Party representing regional and rural Australia, had to say. The Democrats obviously have more input into this government’s policy than the Liberals’ National Party colleagues. For example, when the National Party voted overwhelmingly at their national conference only a few months back to exempt permanent caravan park residents’ fees from the GST, this government would not budge to accommodate its junior coalition partner—its country cousins. But when the Democrats demanded a whole list of exemptions to the GST on various goods and services and certain foods, the Liberal Party gave the Democrats a blank cheque to formulate their own GST policy.

The Minister for Employment, Workplace Relations and Small Business has no hesitation in bowing down to the demands of the Democrats. In fact the minister’s second reading speech proves this point, as he refers in it to comments that were made by the Democrats’ spokesman on industrial relations, Senator Murray, stating that it was easier to deal with one issue at a time on a specific and limited basis rather than a wide-ranging and complex bill. So here we have it: four pieces of legislation that have been lifted from the More Jobs Better Pay bill and introduced one at a time on a single issue basis, just as the Democrats ordered. We had the Democrat-Liberal Party deal on the GST, and now this is the Democrat-Liberal Party deal on industrial relations.

The last time that this government attempted to introduce reforms into the area of unfair dismissal legislation, the government gagged debate. Only one opposition member spoke on the bill. Let us hope that this time the government has enough courage to face the music and hear the debate. While I am on that topic, I would like to state here for the record that this government has constantly gagged debate on some of the most important pieces of legislation that it has introduced into this parliament. The way this government has treated the parliament by consistently gagging debate and sneaking bills through at very short notice shows, I believe, the utmost contempt for this parliament. It shows clearly to the Australian people this government’s arrogant and conceited attitude towards industrial relations reform and its lack of respect for the proper channels of debate.

This bill, as I have said before, is effectively the More Jobs Better Pay bill revisited. It cuts deep into the notions of fairness and equality in industrial relations. For that reason alone it should not be passed, but I will provide many other reasons why this bill should be rejected. The minister claims that this bill introduces the notion of a fair go for all in industrial relations. However, we all know what this government means by a fair go for one side of an industrial dispute and an unfair go for the other. We have seen this government try to manipulate the powers of the Australian Industrial Relations Commission before, when the government introduced legislation which would outlaw pattern bargaining. That legislation stated specifically that the AIRC should give consideration to the concerns of the employer rather than acting as an independent and impartial umpire in settling industrial relations matters. That bill was rejected by the Labor Party. That bill was the first of this government’s attempts to introduce single issue bills that were hidden in the More Jobs Better Pay bill.

This bill is the spearhead of the government’s obsession with dismantling what is the only fair and independent umpire to decide industrial relations disputes, the Australian Industrial Relations Commission. If the government had their way, they would take away from working people all forms of pro-
tection which have been achieved over nearly 100 years and which are now under the auspices of the commission. It is the role of the commission to be an independent umpire, to restore and uphold fairness and equity in industrial relations, where both parties can negotiate on equal terms and in good faith.

Prime Minister John Howard’s own words when he was industrial relations spokesman for the Liberal opposition in 1992 were that he wanted to ‘stab the commission in the stomach’. Now, eight years later and four years since they have won government, they are still trying to stab the commission in the stomach.

If we take a look at some of the clauses of this bill, we expose the government’s hidden agenda. This bill aims to avoid the cases where abuse of the system occurs. In such cases one party might employ deliberate time wasting tactics or apply excessive cost pressures. The Senate minority report into workplace relations recommended that in such cases the commission should be given the power to award costs against a party’s legal practitioners and those advising the applicant or respondent. Also, the report recommended that the commission should have regard to disciplining any legal firm whose ethical approach is coloured by commercial predation.

While this recommendation may seem a fair and equitable system of checks and balances to avoid such cases where time wasting or cost pressures are involved, this lies outside the commission’s constitutional power. The government has, therefore, decided that instead there should be a complete prohibition on advisers instituting or pursuing speculative or unmeritorious unfair dismissal claims. The problem is that the only avenue which can decide whether an unfair dismissal case can be dismissed on grounds of merit or being out of time is the commission itself. This is like using a sledgehammer to crack a walnut. The government is asking the advisers to make a premeditated assumption about the AIRC ruling when considering whether to take on an unfair dismissal case.

This bill contains a clause where the respondent to an unfair dismissal claim can then apply to the Federal Court for a penalty against the adviser if their opponent has breached that prohibition. So the rules are: for advisers and legal practitioners who are considering taking on an unfair dismissal case, if the case is dismissed on merit or because it is out of time, not only will these advisers be in breach of the prohibition but also the advisers may be fined and penalised for losing the case. The point I am trying to make here is that those who take an unfair dismissal case will always represent the employee. Employers do not initiate unfair dismissal cases in the court.

But it gets worse. This bill also requires that an applicant who is seeking a decision in respect of an unfair dismissal provides security for costs associated with the claim. This is proposed to serve as a disincentive for unmeritorious or speculative claims. However, this only serves as a disincentive for any employee or their legal representatives to pursue an unfair dismissal claim. This is the Howard government’s aim—to get rid of unfair dismissal legislation completely. What an unsympathetic and cowardly piece of legislation this is. It is just like kicking someone when they are down. Does this government expect someone who has just been sacked and who believes that they have been unfairly done by to come up with a large security deposit just to take on a case of unfair dismissal? Effectively, this bill makes the penalties and risks associated with pursuing an unfair dismissal case too great to warrant anyone initiating such a case. The government’s reactions to the Senate’s recommendations are not in line with the intention of the recommendations or the spirit of fairness in the industrial relations system in which they were given.

I also want to totally debunk once and for all this myth the government keeps spouting about unfair dismissal legislation, that is, that unfair dismissal laws are a barrier against job creation for small businesses and that if they were repealed they would result in thousands of new jobs nationally. This is what this government have repeatedly said. It is time for them to put their money where their mouth is. This government claim that unfair dismissal legislation has prevented job growth in small business. There is a plethora of information to suggest that the facts are quite the contrary.
A paper prepared by the University of Newcastle in 1999 quoted a report from the National Institute of Labour Studies which was commissioned by DETYA and which identified trends in staff selection and recruitment. This report would be well known to the government, as they have often quoted from it—incorrectly, I might add. The government were saying that the National Institute of Labour Studies report found that unfair dismissal legislation laws strongly influenced hiring decisions. However, the report shows that, in fact, 48 per cent—less than half the respondents—thought that unfair dismissal laws influenced hiring decisions only to either a large or very large extent.

Further to the point, the Telstra Yellow Pages Small Business Index of May 2000 asked this question of a sample of more than 1,200 small business owners: what were the barriers to taking on new employees? Forty-four per cent of small businesses believed there were no barriers. Of the 56 per cent who believed there were barriers in taking on new employees, 39 per cent of those believed that the major barrier was the fact that there was just not enough work; 19 per cent mentioned the cost of employing; 12 per cent said finding skilled labour and staff was a barrier; eight per cent said lack of cash flow; and eight per cent said the introduction of the GST. That will probably go up now that 1 July has come and gone.

But it goes on and on, with reasons including superannuation costs, profitability, lack of confidence in the economy, et cetera. Of all the barriers to small businesses taking on new employees, the Telstra Yellow Pages Small Business Index does not even mention unfair dismissal laws. In fact, even if we try to place unfair dismissal under another category in the survey, it would probably come under the ‘too many rules-red tape’ response of which only four per cent of the 1,200 small businesses believed was a barrier.

Even in 1998, when the government was trying to implement the Workplace Relations Amendment (Unfair Dismissals) Bill 1998—just another failed attempt by this government to destroy unfair dismissal legislation—the department’s own 1998 survey of small businesses asked small business owners to identify the reason for not tify the reason for not recruiting employees in the previous 12 months. The answer ‘not recruited due to unfair dismissal legislation’ equated to 0.9 per cent of respondents. That is not even one per cent of respondents to the government’s own survey in dealing with unfair dismissal laws. This was the government’s own report and the statistics speak for themselves. To say unfair dismissal is a non-issue when it comes to recruiting is not exaggerating.

The facts are there for all to see that unfair dismissal legislation is not a barrier for employment growth. Repealing these laws will not create thousands of jobs nationally. Small businesses themselves have said that it did not even rate as a barrier to taking on new employees. It is just a myth perpetuated by the Liberal Party and this government who believe that they know all about small business when, in fact, they are completely out of touch with the small business community. They are more concerned with pursuing their own ideological obsession with stabbing the commission in the stomach—those are the words of the Prime Minister—rather than creating policies which would, firstly, uphold the Australian values of fairness and equality in industrial relations and, secondly, encourage small businesses to take on new employees by creating more work.

It is a frightening picture this government paints of fairness in the industrial relations arena. It is a picture where a basic right to freedom of association is denied, where those who belong to a particular union, regardless of whether their productivity levels are above the national average for that particular industry, are sacked because they are members of this union. This happened in this country, under this government, and it was not accidental. We cast our minds back to the MUA-Patrick waterfront dispute. Workers on wharfs in Tasmania and South Australia, where the crane rate was far above the national average, were sacked. When asked why they were sacked, they were told they were sacked because they were members of the Maritime Union of Australia. This government was proud of it. It walked about beating its chest and claiming a victory. It supported the sacking of a productive work
force. The only reason given for the sacking was that they belonged to the MUA.

This sounds like stories you hear from a country led by a dictator or a country ruled by martial law. It was a shameful, undemocratic and unfair event that happened here in Australia under the Howard government and Minister Reith’s industrial regime. The landscape of industrial relations this government wants to create is one where the AIRC is no longer an independent umpire in the settling of industrial relations matters. It becomes a puppet of this government to implement its agenda to destroy all notions of organised labour in this country. We saw examples of this in Minister Reith’s attempt to outlaw the practices of unions taking on pattern bargaining but at the same time still allowing for employers to undertake the exact same tactics.

This was the same bill where the government wanted the commissioner to have particular regard to what the employer alone said. Most Australians know that this government has a bias towards industrial relations and that particular bill clearly exposed the government’s agenda for all to see. I will read, verbatim, from the pattern bargaining bill introduced earlier this year and once again rejected by the Senate. Subsection (4) states:

In determining ... whether entitlements sought by an organisation ... are of such a nature that they are not capable of being pursued at the single business level, the Commission must have particular regard to the views of the employer ...

This is fairness Minister Reith style. The masterpiece of art that is this government’s industrial relations policy is almost complete and I can imagine it. It is a world where, if a worker chooses to exercise his or her right to associate with a union, it will result in his or her sacking, where the independent umpire is one which will only take heed of the employer’s argument. We ask ourselves: is this the sort of workplace relations we want to create in Australia?

This government has an appalling record on most things. However, industrial relations policy is one area which sticks out like a burnt matchstick. We have only to look at its attempts to protect workers entitlements to see that Australian workers still do not have 100 per cent of their entitlements secured when their employer becomes insolvent. Workers across this country are still being deprived of their entitlements because this government does not have the courage to implement a scheme which would protect 100 per cent of their legally accrued entitlements—a scheme which is not capped and not reliant upon the state governments to prop up 50 per cent of the funds. I have said and will continue to say that employee entitlements are a liability of the employer, not the Australian taxpayer. Insurance schemes or trust funds are far more workable and fairer alternatives to this government’s half-baked employee entitlement scheme. The longer the government takes to realise this the longer Australian workers will be missing out.

In conclusion, this bill is nothing new. It is Minister Reith’s second wave, revisited. Although our members opposite might pretend that it takes into consideration the recommendations of the Australian Democrats, this bill clearly does not. It is just an instrument of this government’s own agenda to create an unworkable, unreasonable, one-sided, biased, unfair and anti-union industrial relations system. I condemn the government for this legislation. I support the opposition in the amendments they are putting forward. I also ask the Democrats, when they are considering this bill, to read the bill and to understand the implications of what it means to the workers of Australia. If they understand it, they will do what they did last time and reject the bill wholeheartedly. Unfortunately, we have not got the power in this House to reject the bill. We can only debate the issues.

However, the people of Australia now know where the government stands on industrial relations. They are not keeping silent any more. To the member for New England or any member of the government benches who would come into this House and cry that if you are a member of a union you are a criminal, I would suggest that they go out and speak to society at large. I also say to the member for New England and those who do not want to take the benefits of what unions have worked for—reject their pay rises, reject
their awards and, more particularly, stand alone as though they are an island—that cannot happen. We have benefits in this country for the workers because the unions have fought for them and they must be protected in their fight. More importantly, the workers of Australia must be protected from legislation such as this that has been brought in by this minister and this government. (Time expired)

Ms ROXON (Gellibrand) (12.30 p.m.)—It is always an honour to follow the member for Prospect, who brings such justified passion to this debate. We on this side of the House are very concerned about the Workplace Relations Amendment (Termination of Employment) Bill 2000 because it deals with some of the most fundamental issues that we need to face in this country. It deals with a worker’s rights when they are terminated from their employment. This is only a small part of the government’s second-wave agenda but if that second wave had been passed through the Senate—although it was successfully prevented by our good work and that of others—it would have been a tidal wave of change in the industrial relations system in this country.

Now, instead of the tidal wave of change the government is using a sort of water torture approach to whittle away, drop by drop, all of the rights of Australian workers.

Like many of the other members on this side of the House, I would like to go through our concerns with the proposals in this bill which are effectively taking away workers’ rights in the most significant areas. The bill takes away workers’ rights to compensation if they suffer any shock, distress or humiliation because their termination is in extreme circumstances. It limits a worker’s rights to take a termination or unfair dismissal claim if it is in a situation of redundancy. It removes protection if an employee is demoted rather than dismissed. It gives an employee less protection if they work for small business. They lose their rights to hearings if certain circumstances are met in the conciliation process. They lose their right to advice. They are at higher risk of having to meet legal costs, not just their own but also of a respondent in these matters. And the process that is suggested in this bill is actually more legalistic even though the government is prepared to stand up and say its aim is to reduce some of the legalism.

The government’s proposal, which we have to argue strongly against, is ‘death by a thousand cuts’ for workers’ rights in this country. We on this side of the House will certainly be doing everything to make sure we can prevent the minister’s attempts yet again to swing the balance in favour of employers.

Take, for example, the petty provision—it cannot be described in any other way—for preventing a worker who is dismissed in extreme circumstances from claiming any compensation for shock, distress and humiliation. I find this extraordinary, because anybody on the government side would know as much as on this side of the House that there is in any case a maximum a worker can seek through an unfair dismissal claim. That maximum is six months. It does not matter how long an employee has been working somewhere, what the circumstances are, how old they are or how young they are—no matter what, the maximum is six months.

So why this provision, if there is a situation which is particularly extraordinary and there is some extra reason an employer should be punished? I do not say that employers are always wrong in unfair dismissal claims, but that is why we have a procedure that people can go through. As any practising lawyer in this area would tell you, as any union official would tell you and as anyone who has been through any unfair dismissal case on either side would tell you, it is very unusual for any amount to be awarded for shock, distress or humiliation.

I can remember a case that was covered widely in Victoria where a young woman was dismissed in circumstances where she had been persistently harassed. It was her first job ever and she would not have been entitled to a large amount of compensation because she had not been working very long at that place. She refused the advances, if they could be called ‘advances’—the harassment—of her boss and, quite rightly in these circumstances, the commission was fairly indignant and awarded an extra amount to compensate for this young woman’s humiliation and distress at having lost her em-
ployment and her income as a result of being harassed in her workplace. They were the most extraordinary circumstances. Why would a government be so petty as to take away the commission’s right to be able to award some compensation in those sorts of circumstances? It seems to me that to want to remove these sorts of rights is nothing but another indication of the government’s pettiness and vindictiveness.

It is equally petty and vindictive for people’s rights to be limited if they are dismissed in a redundancy situation, and it will have extraordinary consequences for a large number of people in our community. We all accept that there are going to be redundancies. They are unfortunate. None of us in this House want to see businesses closed, but they do sometimes happen and sometimes there are redundancies where part of the work force is put out but the business is still able to operate with a smaller work force. Obviously, people should not be able to challenge a redundancy under any circumstances. But if a redundancy is handled in an unfair way, why is it that a worker is not able to challenge that?

I refer to the report of the House of Representatives Standing Committee on Employment, Education and Workplace Relations which has just been tabled in this parliament called Age counts. It deals in particular with the growing problem of people over the age of 45 losing their employment, normally in retrenchment situations, and the significant impact that that has on people’s lives. In that report there is reference to a growing amount of evidence that the circumstances of a retrenchment, particularly for mature age workers, can often be the most significant factor in their chances of receiving future employment offers. On page 128 of the report, Mr Chris Meddows-Taylor from Drake Management Consulting is quoted as having told the committee that:

… the manner of separation affects the ability of retrenched workers to find another full-time job quickly. The Committee heard of cases where people were apparently given very little consideration for their dignity or their future. They may or may not be given a redundancy package and no advice at all about where to go or what to do with it.

The committee report goes on to say:

It is critically important that retrenchments and redundancies be handled in a humane and sensitive manner. Careful management of the process benefits not only those retrenched but also those who remain.

So, in circumstances where there has been some detailed assessment of how important it is for redundancies to be handled sympathetically, at the same time we are hearing the government say that we will take away rights from people even if they are not handled sympathetically. In fact, we will take away their rights even if they are dismissed in the most extreme circumstances. The House of Representatives standing committee can expect the government to give very short shrift to their recommendation 3, which is to be found on page 132. It recommends that:

... the Department of Employment, Workplace Relations and Small Business work with representatives of large and small business, employees and other relevant organisations to:

1. develop a code of conduct or a set of best practice principles, based on the checklist in this report;
2. promote the finalised code among large and small businesses; and
3. consider a process of certification, to be managed by business organisations, for businesses which commit themselves to implement the code.

The code that is being discussed is set out in some detail in the report. I will not take the House through it today, but it deals with what is an appropriate and sensitive way to handle redundancies when it is unavoidable in a particular business. Why is it, when the department and the minister have before them these sorts of sensible and practical recommendations about how we can deal with the growing problem of mature age job losses and redundancies, that what we see instead is this petty—and I know I have used that word several times; it is hard to describe the minister in other terms—

Mr Danby—It is very appropriate.

Ms ROXON—It is most appropriate, and that is why I need to keep using it. This very petty change that is being proposed in section 170CG, paragraph 4, deals with taking away people’s rights in these circumstances.
Another petty circumstance that the minister is promoting through this legislation is that he wants to take away a worker’s rights if they are demoted in employment rather than dismissed. Again, this is an unusual situation. There have been a number of cases where people have been demoted from extremely senior jobs to absolutely pedestrian jobs, losing a lot of extra benefits, losing their status, and they have been able to successfully prove that effectively they have been terminated from their employment and so been able to make an unfair dismissal claim. The proposal under this bill is that you will not be able to make such a claim if you are continuing in employment. I think there is some lip-service given to the amount of remuneration that is affected, but it does not deal with status, authority or the number of people you might be responsible for. Many people listening to this debate will know of similar circumstances to the circumstance I know of of a sales manager—he was on a fairly reasonable package, including a car, and was responsible for supervising 15 people—who was told that effectively he had to become a clerk. There was not a significant change to his wages—they were prepared to continue the wages—but he lost his car and all his authority within the workplace. He was really given no option at the age of 52, if I remember correctly, of taking the risk and saying no to that job and going out into the workplace to try and find a job somewhere else. He had really been treated very unfairly. Whether he was treated unfairly or not really should be able to be argued. In this situation there were allegations about his performance. The case that was run went through the detail of whether that was justifiable. Why would you take away a person’s right to be able to argue whether that is justifiable? If an employer is to be able to change someone’s capacity to earn their livelihood and alter their whole standing in the community, let alone in their workplace, why is it that that cannot be challenged if there is no basis for that change? That is all we are talking about: we are only talking about where this happens in unfair circumstances; we are not talking about where it happens in any other circumstances.

Interestingly, this bill also deals with one of the minister’s hobbyhorses—small business. It gives less protection to employees who are employed by small business. This is really taking an alternative approach to the one that has been repeatedly and persistently pursued by the minister, despite it being rejected time and time again. I think we will have to start calling him ‘persistence Pete’ or something because he really keeps trying in these circumstances. We will still do all we can to stop him this time around.

Clause 170CG(3)(da) of this bill says that the commission must take account of the size of the employer’s undertaking or the size of their business. But I think this means that the government is trying to push the commission into saying, ‘If you are dealing with workers who are employed by small businesses, they somehow should have lesser rights and small businesses should somehow have lesser standards.’ I think that is doing a great disservice to small business which generally regard seriously their obligations to treat their employees fairly; it is something they feel in a very personal way because they work very directly with their small number of employees.

The government is determined by this change to pressure the commission into saying that there should be some lower standard if you are employed by small business. I am sure it is a backdoor way for this minister to try and provide some protection for small business, but it will exacerbate the situation for small business because they still will not know what rules apply to them and they will not know when they apply and when they do not. All this will do is say that the commission must take the matter into account. Small business will still have to turn up for the hearing, they will still have to argue that the circumstance and the size of their business justify some different standard applying, and they will still have to go through all the process which the minister so regularly wants to tell us is such an enormous burden for small business. I am sure this is an attempt by the government to get through the back door some sort of compensation for small business that the minister thinks they are seeking, but it will actually confuse things even more. We
will not know what standards will apply. It would be much easier for small business to know that the same standards apply to them and that they need to deal with people in a fair manner.

Again, if the government spent a little more time using the good offices of the department to go out and promote these sorts of sensible proposals rather than to go out and undermine the system that is in place, we might actually see something more constructive happening. In the Age counts report there is a recommendation that the department should actually go out and work with businesses to develop a code of conduct. Why can’t that approach be taken, rather than constantly using the department’s time and the minister’s time to draft and redraft and try again and persist with this unfair legislation which the government is going to keep pushing and pushing no matter what?

I said also at the start that workers are going to lose their rights to hearings. This is a very significant change. There has been some suggestion that there is an abuse of the system in unfair dismissals by lawyers. I think the suggestion is that it is on both sides. There are a number of proposals I would like to go through which are obviously put in this bill in an attempt to deal with some concerns about the way matters are handled through lawyers and the running of cases. But by doing this what the government really is proposing is again to take away people’s rights. As anyone knows, conciliation is about trying to put aside your differences and trying to come to some practical resolution of the matter and avoid going to a full hearing. But the bill proposes that the conciliation conference is actually going to be the place where your rights can be determined, because it wants the commission at that point to make a decision about whether or not a worker has got a decent case. If the commission makes a decision that they do not have a decent case, they lose their right to go to a full hearing. What sort of a country are we going to live in if we say that people cannot have rights to pursue a matter to a hearing? In the commission, in a relatively informal procedure where there are relatively low costs compared with most other legal proceedings. All that this will do is oblige workers and their advisers to run a full case at the conciliation stage. I know that, if I were representing someone who had an unfair dismissal claim who could lose their right to a full hearing because of what was said in a conciliation conference, I would want that conciliation conference to be a full hearing. I do not see how any workers’ representatives are going to have a choice but to make those conciliation conferences full hearings, which obviously is totally contrary to the point of trying to resolve something through conciliation prior to its going for hearing. So I do not understand how it is that this government think that a way of reducing legal costs is by turning a conciliation conference into a mini-trial.

Not only does it do that but it then adds a provision which says that an employer at any time, and not just once, can challenge the jurisdiction of the commission. The employer can argue that the person is not an employee, they were casual so they are not covered, they were on a contract or various other provisions. Section 170CEA introduces a provision that requires the commission to hear a jurisdictional challenge immediately. The only time they do not hear it immediately is if it is not the first time that such a challenge has been made, which makes it clear—something that has never been clear in the history of having jurisdictional challenges previously in the commission—that, even if you lose the first time, you can do it again; you can challenge it on something else. So these provisions which are supposed to deal with a problem of legal costs actually are saying that you can have a jurisdictional hearing, and it is only the employer who can do that, and they can do it a number of times; you have to have a mini-trial at conciliation; and then you might have to have your final trial as well. How does this actually improve an ill that the government says in the second reading speech it is trying to address? To me, it is totally contrary to what the government is saying it is doing.

We all know that in reality what the government is doing is trying to take away workers’ rights. Of course, it can effectively do that if it makes it more legalistic. If it makes it more legalistic, it is going to cost more
money. We all know that generally individual workers have less money than large corporations do and probably less money than small businesses do. So we get to see what the government is really trying to do.

If that was not enough, let us go for the next rung. The government are also saying we should limit a worker’s right to actually receive advice from lawyers. This is just adding to the litany of woes that a worker who is already in the circumstances of being dismissed has to deal with. We all enjoy a good lawyer joke at times, and I must admit I am the butt of them occasionally as well. However, I do not think that anyone thinks we should not have access to lawyers when we are in situations of distress where we think our rights might have been affected. The government do not propose to stop the expense that is not spared on QCs and barristers in other industrial cases running off to the Supreme Court, in circumstances where workers are often represented by a union official or solicitor. They do not worry about that being an abuse. They do not say that those lawyers have an obligation to provide some extra information to the court. But, if it is the individual worker who is dismissed, that is just some poor old ordinary person that this government think should not have the right to access legal advice. It is outrageous, and really this bill should be stopped. (Time expired)

Mr BYRNE (Holt) (12.50 p.m.)—It is a pleasure today to address the Workplace Relations Amendment (Termination of Employment) Bill 2000. I have a feeling of deja vu about this, having worked for Senator Jacinta Collins in the Senate where we addressed many of these areas of unfair dismissals, having seen it being brought surreptitiously into the House initially by regulation and then our seeing that defeated by disallowance motions. The Minister for Employment, Workplace Relations and Small Business, with his bodgie use of statistics and his inappropriate use of his department—I will touch on some of these issues shortly—having pushed the lying justification of this particular bill, one would have thought that eventually the minister would have seen commonsense and understood that the Australian public, and the many workers that this bill would affect if it were put through, do not actually want a bar of it. I know that the minister is a tough fighter, a street fighter, who pushes his causes quite vigorously, but sometimes I think the minister pushes it too far. Sometimes there is a thing in politics where, when you bash your head against a brick wall enough times, you might work out, as the electorate has worked out, that in fact he might have gone a bridge too far.

I think this bill again emphasises the minister’s capacity to take that one step too far. The minister has actually acknowledged this because, reading the papers yesterday, I noted that the minister has made it clear within government circles that he is frustrated with the Workplace Relations portfolio as he is not able to get further reforms through the Senate. I wish him well on that, but this bill emphasises that he continues to take that one step too far, and I will touch on that later.

When you look at the start of a bill, you try to work out what the intent of the bill is. There are many fine words that the minister has put forward with respect to this, but one should go beyond those words to look at the underlying intent. If one wants to have a look at the underlying intent behind this bill—what drives the minister—one has only to go to an address to the Property Council of Australia that the minister gave on 20 July this year. He was talking about his efforts for industrial relations reform. Being the good, non-partisan minister that he is, he addresses the Property Council in this manner:

In your industry you don’t control your cost structure; the unions do. In this industry you don’t control the time of completion of your projects; the trade unions do. You don’t control who you employ, the trade unions do. You don’t control when you will work and when you will close, the trade unions do. You don’t control who comes onto your site, the trade unions do. You don’t control the price of your product or your tenders, the fact is the trade unions do. You don’t control your profit margins, the trade unions do. You don’t control where and how you train your employees, the unions do.

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There is an example of good non-partisan incitement of the Property Council of Australia. We have seen other examples of in-
citement with the MUA action and, more recently in my electorate, with Linda Industries. There a company, with the nudge-nudge, wink-wink mentality that the minister uses in these affairs, was asset stripped and the company chucked 80 workers out onto the streets. Then we, basically through a public campaign, actually had to force it to pay the employees their justifiably due entitlements.

Mr Danby—And their share price is $9.

Mr Byrne—And their share price is $9.

I want to touch on what the minister claims these amendments will do and then actually have a look at the body of evidence that he relies on. As I said, there is a feeling of deja vu. You go back to having a look at the evidence and you think it has been debunked. If the media were actually reporting it accurately and paying attention to it properly, they would not be taking the minister’s claims on this seriously. If they studied Hansard, committee reports and the outcomes of these things, they would be very well aware of the preposterous nature of what is being proposed.

Let us go into the details of the bill. The bill makes approximately 50 amendments to the unfair and unlawful dismissal provisions of the Workplace Relations Act 1996. This bill, it is claimed, attempts to strengthen provisions to prevent forum shopping by employees who are entitled to a remedy under the Workplace Relations Act in respect of harsh, unjust or unreasonable termination. In short, persons engaged pursuant to a contract for services—that is, contractors—are not entitled to apply for a remedy in respect of termination of employment. The bill excludes an employee who has been demoted in their employment from seeking an application for termination of employment where the demotion does not result in a significant reduction of remuneration and the employee continues in employment with the employer who has effected the demotion.

It requires the commission, in considering whether a termination is unfair, to have regard to the size of the employer’s undertaking, establishment of service and any likelihood of impact on the procedures followed in effecting the termination—it is the unfair dismissals bill creeping back there. It limits the commission’s jurisdiction to find that a termination of employment is unfair where the employer can establish that the termination was effected because of the operational requirements of the employer’s undertaking. It prevents the commission and the Federal Court from including, in any damages account, a component by way of compensation for shock, distress, humiliation or any other analogous hurt caused by the manner in which the employee’s employment was terminated. Gosh, why should they worry about those sorts of things?

It confers power on the commission to require a representative who has been retained pursuant to a contingency—that is, no win, no fee—agreement or cost arrangement to disclose the fact to the commission—which is fine if you have absolutely no money and you are seeking legal advice. It confers expressed power on the commission to dismiss an application in respect of the termination of employment if the applicant fails to attend a proceeding. It widens access to court cost orders and clarifies that costs can be awarded as to jurisdictional costs and with other proceedings. Minister Reith apparently believes that this bill is necessary to address some of the procedural problems that have become evident during the operation of the act. The bill reinforces the disincentive to speculative and unmeritorious unfair dismissal claims, introduces greater rigour in the processing by the Australian Industrial Relations Commission of unfair dismissal claims, removes unnecessary procedural burdens that unfair dismissal applications place on employers.
and ensures that the laws do provide a fair go all around.

So there we have the supposed intent and the justifications for the bill. Having had a feeling of déjà vu, I went back to the Senate Employment, Workplace Relations, Small Business and Education Legislation Committee report on the unfair dismissal bill, which is the precedent for this bill that has been put before us, and I looked at the evidence that the minister put forward. The minister has made much of the evidence, although having had a look at his second reading speech it is a little bit like, 'I actually don’t want to introduce the bill but the Democrats made me do it.' This is a fairly new thing: if you cannot get by with the force of the argument, you say that. Obviously Senator Murray is acting as the minister’s industrial relations conscience, because everything I read here is about: ‘I go for one bit and Senator Murray wants me to do it.’ It is quite clear who the new industrial relations minister is—it is Senator Murray. This bill has been introduced because the senator wanted it. At least we know that the minister has stopped relying on the bogus evidence that he continually produces to inquiries, which I will touch on in a second. He has just basically gone for, ‘Well, the Democrats made me do it.’

Mr Danby—The wider coalition.

Mr Byrne—Yes, the wider coalition—the Democrats. Let us look at the evidence that the minister used in support of his small business exemption regulation in 1998. In his second reading speech, Mr Reith spoke of evidence to support the small business exclusion. He claimed:

Senators who spoke against the previous bill to introduce the Small Business exclusion said there was insufficient evidence of the need of the Bill and its benefits. There was plenty of evidence but they would not allow themselves to be convinced. Then he goes on to cite the evidence.

That evidence included the Morgan and Banks’ 1996 survey, the April 1997 Recruitment solution survey, and the May 1997 New South Wales Chamber of Commerce and St George Bank survey. The Council of Small Business Organisations of Australia said that small businesses would create some 50,000 jobs if the Bill was passed. That was used like a mantra by the minister in the prelude to these disallowance motions going through.

Then there was the Yellow Pages Small Business Index Survey conducted in October and November 1997 and further surveys conducted in March 1998 and July 1998 by the New South Wales, South Australian and Queensland Chambers. These surveys, and others like them, make completely plain the importance which business attaches to this issue.

As I said, I have a feeling of déjà vu, particularly with respect to this report. I had a significant input into it. Having had a look at the evidence that was being put forward and having conducted an analysis of the department’s claim, I came to the following conclusions. The difficulty for the minister was that his claims did not stand up to close analysis. An examination of the evidence he cites indicates he has either selectively chosen statistics which buttress his case, relied on surveys with dubious methodology and relied on guesses, or simply ignored data where he deems the views as not being helpful to his case. The AWIRS survey is just a classic.

More importantly, though, Mr Reith then directed his own department to follow his example. This placed the department in a very invidious situation of having to ignore definitive, unbiased surveys such as its own AWIRS 1995 survey, which contradicted the minister’s rhetoric. Going one step further, the minister also compromised officers of his own department by directing that they present his selected witnesses from small business to a hearing by the committee on this bill as part of its own submission to the committee. I attended that particular hearing and I think it is a dark stain on the processes of the committee being abused by a government minister.

The inappropriateness of this directive was demonstrated when one of the witnesses testified about a case that was currently before the Australian Industrial Relations Commission. Had Senator Collins not stopped that particular individual, God knows what would have happened. But the government either quite clearly knew that this particular individual was involved as a respondent to a case
that was in the Industrial Relations Commission or ignored it.

As I said, this matter was referred to the Procedure Committee with respect to the minister’s lack of regard for due process and his disregard for appropriate convention. It is interesting that some of that found its way into the newspapers. Shortly after that particular hearing, Labor senators questioned the appropriateness of the decision, claiming that two of the four witnesses operated businesses under state and not federal dismissal laws. Those witnesses, incidentally, were flown up at government expense or departmental expense of a sum of $2,240. They were virtually selected by the department, as part of a departmental submission, which is unprecedented. They could not even get that right. They could not so much not get it right but were probably pressured by the minister. Four witnesses operated businesses under state and not federal dismissal laws.

Another witness had a sacking case currently before the Australian Industrial Relations Commission and the fourth had not given any evidence before the inquiry. I do not often quote Senator Kim Carr, as Michael Danby would know, but quoting in the media, he said it was unprecedented for a minister to bring his own cheer squad along for a formal inquiry. With the minister getting into a bit of trouble with respect to the evidence he was putting forward, he took that one step too far—that bridge too far—by actually coercing his department to accept these witnesses that should not have been there in the first place.

Let me talk a bit more about the so-called evidence that the minister has been using with respect to this particular matter as a foundation point. I quote the report again:

One point that astounded Labor minority members was the continued omission of data from the most comprehensive survey of employment...the Australian Workplace Industrial Relations Survey 1995.

It is more extraordinary given that the AWIRS 1995 survey specifically addresses the question whether the unfair dismissal laws prevented small business from employing new staff.

It is important to again note that this survey was conducted in 1995 when Labor’s unfair dismissal laws were in operation and when the unfair dismissal law had been targeted by the then Coalition in a major campaign.

In response to a survey which asked, why haven’t you recruited new employees? 68 per cent of businesses reported they didn’t need any more new employees. 33 per cent gave as their reason insufficient work, lack of demand for their product or low profitability.

Another survey in the AWIRS specifically asked small business (categorised as businesses employing less than 20 employees): why haven’t you recruited more employees?

Again, only 6 per cent of respondents mentioned high employment costs. It must be assumed that a fraction of these respondents couldn’t recruit more employees because of the unfair dismissal laws.

In the third AWIRS survey, small businesses were asked: what, if any, significant efficiency change would you like to make at your workplace but are unable to?

The leading response, by 21 per cent of small business, was to improve or change buildings and equipment.

So basically the response to change unfair dismissal laws was provided by only six per cent of small business respondents.

The most relevant piece of AWIRS 1995 survey evidence that was unpublished but was reported in an ACCIRT reference was a survey into the reasons for not recruiting employees during the previous 12 months.

66.2 per cent of small business respondents indicated they did not need any more employees. 23 per cent listed insufficient work as the main impediment.

Only 0.9 per cent of respondents nominated that they had not recruited employees due to unfair dismissal legislation.

It is obvious why the department did not refer to its own data. It demonstrates quite clearly that there was no need to change the unfair dismissal laws.

We can also go on to some of the more famous surveys cited by the minister and his department with respect to the justification for these particular matters. For example:

In its submission, DEWRSB referred to the Yellow Pages Small Business Index surveys that were undertaken in 1997-98. The Department referred to one particular survey conducted from 30 Octo-
ber 1997 to 12 November 1997 where specific questions were asked about unfair dismissal laws. Whilst... 79 per cent of respondents thought small businesses would be better off if they were exempted from unfair dismissal laws and 38 per cent said they would recruit more employees if they were exempted from unfair dismissal laws, the methodology of this survey was called into question.

It was called into question by Associate Professor Rosemary Claire, principal researcher at the Justice Research Centre, who raised concerns about the methodology used. Appearing before the committee inquiry into the unfair dismissal bill, Associate Professor Claire was asked to identify the flaw in the methodology to the question: ‘Would you be more likely to recruit more employees if you were exempt from current unfair dismissal laws?’ This survey question was asked at the 1997 Yellow Pages survey. Associate Professor Claire responded:

It is what we call in law a ‘leading question’. A question that simply asks: ‘would you be likely to recruit if you were exempt from unfair dismissal laws?’ is inevitably going to achieve a response which is very different from the response you would get if you said, for example, ‘what would help you to hire people?’ That is a more open question which allows the respondent to take into account the range of factors that might be impacting on them rather than simply drawing attention to a single factor which is presumed to be the only factor operating in this situation.

Mr Danby—A very good point.

Mr Byrne—it was a very good point, I thought. The report continues:

It is also instructive to note what data from Yellow Pages Surveys from May 1997-98 was omitted by DEWRSB in its submission to the Committee. Information that the Department assessed was quite clearly detrimental to the Minister’s case for amendment of the unfair dismissal laws.

Basically, if you have the evidence, you do not use it, but you have selective evidence with dubious methodology. So it is a new way of conducting government affairs. It is obviously something that the minister is hoping to bring in before his departure to another portfolio. It continues in relation to these surveys:

In the May 1997 Yellow Pages Survey in the section ‘The Prime Minister’s response to the Bell Task Force, More Time for Business Statement’ 37 per cent of businesses surveyed were aware of this statement. Of this 37 per cent, 15 per cent were aware of the unfair dismissal bill initiative.

In the May 1998 survey in the area of ‘Small Business Issues’, respondents were asked to rate the importance to their business prospects of 12 (apparently unspecified) policy initiatives. A four-point level of importance scale was used in conjunction with the question.

Unfair dismissal changes rated 7 out of 12 in priority, with a mean rating of 2.68 on the four-point importance scale.

Following this question, small business proprietors were asked to nominate which of the 12 factors was most important to them. 6 per cent mentioned unfair dismissal laws.

Then there was the famous St George Bank-State Chamber of Commerce (NSW) survey where further evidence of the selective utilisation and interpretation of data manifested itself in the department’s submission to the committee, which cited a press release dated 22 March 1988 by the New South Wales Chamber of Commerce. In its evidence, for example, the department claimed it had not seen the actual survey when subjected to questions on the issue by Senator Collins at the committee hearing on the unfair dismissal bill on 29 January 1999. Senator Collins asked:

Are you aware of the fact that roughly 50 per cent of the New South Wales Chamber of Commerce and Industry employers surveyed who responded positively to the question they had experienced unfair dismissal claim did not believe it affected their hiring intentions?

A departmental officer responded:

We do not have that information, Senator.

So even though it was included within the DEWRSB submission, suddenly there was selective memory loss. So with respect to that particular issue, we can see—and as I said, we have not even got on to the real impact of the amendments that have been put forward by the minister—basically that the minister, if he cannot win an argument, will resort to dubious methodology, dubious surveys, and then take the one step too far, and make sure his cheer squad turns up in committee hearings. That is the underlying intent of and
foundation for the bill that has been put forward. I say that this bill has no place being in this parliament. It goes against what the minister put out in his own press releases prior to the 1996 election.

This minister cannot be allowed, both in the mainstream media and in the business community at large, to continue to get away with pitting employer against employee. That is a framework that has quite categorically failed the Australian people and it should stop. This bill not be in this house. (Time expired)

Mr DANBY (Melbourne Ports) (1.10 p.m.)—The Workplace Relations Amendment (Termination of Employment) Bill 2000 is one of the remnants of the government’s ‘second wave’ amendments in industrial relations. It is being reintroduced in this manner, allegedly, according to the stated wishes of the Democrats, by the Minister for Employment, Workplace Relations and Small Business. I think we referred to them before as ‘the wider coalition’.

The Minister for Employment, Workplace Relations and Small Business believes these amendments are necessary to ensure that laws provide ‘a fair go all round’. Well! The bill includes some 50 amendments essentially the same as schedule 7 of the previous and wonderfully worded Orwellian bill, Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999. There are, however, some changes to the amendments that are meant to allay concerns raised by the Democrats. The member for Holt mentioned Senator Murray in particular, who seems to be a very important influence in industrial relations these days, particularly on the coalition side.

During the Senate inquiry into the Orwellian More Jobs Better Pay bill, the opposition opposed the provisions of the bill that related to unfair dismissal because—and I think it is important to recount those reasons—this bill is so similar:

Labor senators agreed with the criticisms by practitioners and community organisations of the ways in which the proposed amendments act to limit and obstruct access to fair and affordable remedies against unfair and unlawful dismissal. Taken together, these proposals would cut off claimants from sources of financial and legal support; force them to represent and defend their own interests; make the system more complicated, as the member for Gellibrand so appropriately and coherently explained in her speech previously; make settlements more legalistic; and tilt the balance of influence in unfair dismissal cases squarely and thoroughly on the side of the employer. For these reasons, Labor senators oppose the amendments.

Despite the government’s rhetoric of ‘a fair go all round’ and the Democrats’ ‘concerns’, the bulk of this bill is yet another attack on ordinary workers’ rights to access termination laws. Labor will not support amendments that will result in the degradation of employees’ rights to challenge an unfair or unlawful termination of employment. For example, this bill proposes, under new subsection 170CD(1A), to exclude independent contractors from a remedy in relation to the termination of employment. Proposed new subsection 170CD(1B) excludes employees who were unfairly demoted from claiming a remedy, even though the demotion also involved a wage decrease, even a small decrease, and in effect amounted to a termination of employment. Proposed new subsection 170CE(8A) narrows the criteria to be considered by the commission in deciding an application for extension of time for lodging an unfair dismissal application.

The member for Holt aptly states that this bill is a repeat, as I have described it, of the Orwellian More Jobs Better Pay bill that was considered previously. The name of that bill always reminded me of the character Squealer, who was the person who took on the Stalinist mantle in that great work of George Orwell’s, Animal Farm. Squealer was responsible for the very famous expression: ‘All pigs are equal, except some pigs are more equal than others.’ This was typical of the kind of language that then became popular in Animal Farm—more jobs, better pay, some pigs are more equal than others.

When considering the previous legislation, there was a very interesting submission from the law firm Maurice Blackburn Cashman. I think it is worth reading into the record what they said of that legislation, which equally applies to this one:

The Commission’s assessment of the merits of an applicant’s case must be made without the benefit
of hearing evidence under oath from the witness box. Clearly, the Commission’s ability to make such an assessment will depend on the evidence produced. In our experience, the factual positions of the parties at conciliation are often polarised. If applicants stand to lose their entitlement to elect to go to arbitration their advisers will have a duty to effectively run a trial at the conciliation conference, which will prove the applicant’s claim on the balance of probabilities.

This approach guarantees that the costs involved for both parties proceeding to conciliation will increase dramatically.

It will make it worse for small business and worse certainly for the employee. The submission continues:

The focus will also inevitably move away from the current objective of conciliation to settle the matter in a relatively non-legalistic and informal settlement process.

In our experience, the accessibility of the currentconciliation process provides applicants with an opportunity to confront their grievances with the employer and come to terms with the fact of the termination. We see this process as critical to an effective resolution of the matter.

The proposed amendment will inevitably result in conciliations becoming more adversarial as arguments on the merits of the applicant’s case become the central focus of proceedings. This threatens to marginalise the key players in the conciliation process, that is, the employee and the employer themselves. With the focus likely to move away from pragmatic options for settlement of the matter, conciliators in the Commission will take on an entirely different role in the process. We anticipate that the proposed amendments will result in fewer claims settling prior to arbitration. Both parties stand to incur significantly increased legal costs.

One of the provisions in the bill 170CG(3DA) deals with taking away the right to appeal of employees in small business. I have particular personal experience of this, having relatively briefly had the honour of working as an industrial advocate for a union, not only in the commission but also in the court. I remember the case of one small business in particular where the manager of a relatively small supermarket, who had no previous experience in running such a supermarket, and in fact had been a lieutenant in the Italian Army, was immediately appointed to control this supermarket and over the head of the grocery manager had decided that it was a waste of time to order dairy products according to the day and customer demand. He insisted on sending off the order by fax. Of course, what happened was, as anyone would guess, the warehouse ended up full of stale milk, cream, there was no flexibility, and in fact they decided to sack the grocery manager of many years experience who had vigorously protested this and who had opposed it.

I am pleased to say that in those days, after this was fought through the commission and then the court, the court took the side of this very unfairly dismissed and terminated grocery manager and was astounded at this former lieutenant in the Italian Army’s business practice and ways of ordering dairy products and took the side of the employee. We would not be able to address these problems if this bill had been successful.

Mr Sciacca—It had nothing to do with the fact he was Italian?

Mr DANBY—No, it had nothing to do with the fact he was Italian. He was not familiar with local circumstances and I point that out to the member for Bowman. We have heard the minister for workplace relations claim that if we do not support his unfair dismissal exemption we are costing the jobs of 50,000 Australians. I take that very seriously, because the right of Australians to have employment is something that should be in the mind of all members here.

Where does the figure come from? It is a figure plucked from the air. It is another government myth as the member for Brisbane, the shadow minister, has already pointed out. It reminds me of the huge refugee intake problem we had the other day when, as a country of 19 million people, the Minister for Immigration and Multicultural Affairs said we had a huge problem because 17 people had made application to the United Nations because they are afraid of being tortured when they were sent back to Afghanistan, Iran or some other hell hole.

The election of the Howard government saw a dramatic change in industrial relations, from an atmosphere of conciliation to confrontation. In 1997 this came to a head with a waterfront dispute, now commonly recog-
nised as an ideological attack on the waterfront union rather than a genuine attempt to deliver benefits for importers and exporters. I point out to you, Mr Speaker, and anyone listening to this debate that the alleged purpose of this anti-union activity that took place around Australia, that stirred up all this controversy with the MUA, was allegedly to improve the benefits for importers and exporters, many of whom, like the members of the National Party, would be deeply affected by this. The cost of containers from any of our stevedoring ports has not improved one whit. The only thing that has changed is the Lang Corporation share price which has gone from $1.50 to $9.

I hope that when the Deputy Prime Minister was in London on that big festa he raised with the chairman of P&O, whom he met, the price that P&O and Patrick’s are forcing Australian importers and exporters to pay. This very much goes to the credibility of this government and we can see whether they are truly motivated or are just on an anti-union and anti-employee bent.

We hear the minister for workplace relations deriding unions daily and each time he does this I am reminded of a constituent who came into my office about a year ago—a trained nurse who decided to go to England on a working holiday. She wanted to spend time in Leeds so she could pursue her interest in the Bronte sisters’ literature. After several weeks she found herself a job as a staff nurse in a private surgical hospital and ‘negotiated’ an hourly payment with her employer of £2.50, at the time the equivalent of $A5. Having seen the rates advertised by job agencies in Leeds for similar positions she decided to accept the position.

I do not know what that position is with nurses in northern England now, but during the years of the Thatcher government it was really poor. She carried out her duties for several months working under extremely bad conditions: for example, lifting stretchers on and off trolleys with no help from porters, often at the rate of 30 to 40 a day. Her back began to give her trouble and she would wake at night with nightmares that rats were gnawing at her spine. She decided to discreetly ask what the rates of pay were for SENs in the English system—that is, the nurses she was in charge of on each shift. To her horror, she discovered that most of these nurses were being paid more than her, yet she was responsible for each shift they worked. Perhaps this is the kind of industrial relations system that the minister for workplace relations wants.

Several weeks later, the employees arrived at work to find the doors of the hospital locked. The owner told them through the intercom system that there had been inquiries from the nurses union and all of them had to pay for that. They received no pay for a week. Thankfully, this woman managed to save her air fare and return to Australia.

I will not forget her saying to me, ‘It was an awful experience, it has made me realise the importance of having award conditions and good occupational health and safety conditions.’ Australia is a different country from the United Kingdom and the United States and many of our people value it for many reasons, including the industrial relations system. This nurse said, ‘I don’t think many Australians realise what this government’s attitude to workplace relations will do for the country.’ How right she was.

This government says it wants to make things fairer and simpler, yet all it has done is make employees feel less secure. The proposals of this bill are a further attack in this government’s mission to make sure that a large section of our work force is a disposable commodity to be used and thrown on the trash heap.

I relate the experience of a constituent of mine, Colin Blackburn, a driver, who has been employed by Finemores Transport since 1999. He works in the liquids division, which means that he drives tankers that carry petrol, aviation fuel and diesel fuel. It appears that some of the supervisors who work in this particular division of Finemores have a disregard for their duty of care which may violate occupational health and safety conditions. Since he began working for Finemores, Colin has worked an average of no less than 62 hours a week—a transport driver carrying these dangerous fuels! On one occasion on a trip to Adelaide and back he worked 92 hours in one week for the same hourly rate of pay.
Colin’s hourly rate and the spread of hours are currently under scrutiny in the Federal Court. He should not have to go to these lengths and cost to have such a basic matter sorted out. God knows what would happen to him if these amendments are passed. He is continually rung at home by his employer, often when he has finished a 13-hour shift, and is grabbing some sleep, to face another long haul. Presumably, this must be part of the ‘modus operandi’ of his employers. Certainly they should have better work practices and understand this is the kind of thing that, with employees doing long haul trucking work, is a very stupid practice.

As politicians, we know the effect of sleep deprivation and the strain that long and unsociable hours have on our families and those close to us. Unlike Colin, we receive compensation for this. This clearly is a serious violation of an individual’s rights and well-being. Under the government’s proposed bill it will be easier for an employer to construct a case to dismiss an employee like Colin. Colin has approached Finemores on several occasions and raised these issues a number of times. Finemores appears to have the attitude, ‘If you cannot stand the heat, get out of the kitchen.’ As an employer, at least in this instance, Finemores has, in my view, shown itself to be inept and, that very famous Australian word, ‘recalcitrant’. What would happen to Colin in the trucking of these very dangerous liquids, oils and petrols if he was involved in a major accident? He would be the person in the wrong, not necessarily the company that got him to work these hours. Even if it has no regard for the wellbeing of this individual, Finemores is placing the Australian public at risk. Colin drives tankers that contain 35,000 litres of dangerous liquids. Placing drivers under such unreasonable stress adds to the risk of accidents. There are rumblings of concern about this in the insurance industry.

I believe New South Wales has started an inquiry into the transport industry, particularly the increase in the rate of suicides by truck drivers. Yet the transport industry is, by nature, national. If Finemores, a large company, can treat its employees in this way, I ask what is going on in smaller companies that are desperately trying to compete with their larger competitors. Rather than this bill, I hope the Minister for Transport and Regional Services will conduct a national inquiry into the shocking conditions of our interstate trucking industry. It is sad that an individual has to be placed under such stress and has to take the issues of rates of pay and his spread of hours to the Federal Court before such serious matters can be addressed?

The government says its workplace relations agenda is to give everyone ‘a fair go’ and deliver economic benefits to the Australian public. But, in reality, it has turned industrial relations into a battlefield, seen at its most ugly during the waterfront dispute. We are yet to see the economic benefits of waterfront reform passed on to importers and exporters, as I have explained.

This bill and other workplace relations amendment bills are clearly driven by an ideological belief that is hellbent on creating a large and malleable Australian work force that can be treated as a disposable commodity by some employees who choose to do so.

Not all employers treat their employees badly, but for those who do there should be safeguards for those workers who are unfairly driven out of the workplace. The minister for workplace relations often comes into this parliament and attacks members of the Labor Party for having at some time in their lives been associated with the union movement. I notice that I and a number of other people received a badge of honour the other day by being attacked by him. He was soon repudiated by the Prime Minister for doing that on that particular occasion. I see nothing wrong with having been in the Australian trade union movement. I notice that I and a number of other people received a badge of honour the other day by being attacked by him. He was soon repudiated by the Prime Minister for doing that on that particular occasion. I see nothing wrong with having been in the Australian trade union movement. It was only for a brief period. I think it led to me having greater life experiences. I think it is going down the path of McCarthyism for the minister to continue to do this. We could equally point out the number of graduates of the most expensive private schools that sit on the front bench, the number of people who are members of right wing think tanks like the Institute for Public Affairs or the H. R. Nicholls Society, but these arguments should be conducted on its merits and, on the merits of this bill, this legislation should be defeated. I hope the
Australian Democrats who are listening consider that they have already made enough genuflections to the government. The ‘wider coalition’ and voters in Victoria are waiting to judge the third Victorian senator on the basis of whether the Australian Democrats are perceived as too right wing at the moment. I believe they are and they should pull back from supporting this legislation.

Mr ZAHRA (McMillan) (1.30 p.m.)— Contributions have been made by many people in this debate and I welcome the contribution made in particular by my colleagues from Victoria, the member for Melbourne Ports, the member for Gellibrand and the member for Holt. We have had a lot of discussion about some of the finer points of this Workplace Relations Amendment (Termination of Employment) Bill 2000 and what particular provisions of the bill will mean for people. I would like to cut to the guts of this and talk about what this bill means as far as I can see and as far as the impacts of its provisions would be on the working people who live in my constituency.

Basically, the provisions of the bill will destroy the conciliation process, which I think most people think is important, and make it easier for employers to sack people, in particular those employers who employ fewer than 15 or 20 people, depending on the mood of the government of the day. It will also stop workers being able to get compensation for shock, distress or humiliation if it is proven that their employer dismissed them unlawfully. I say from the outset that we have seen nothing except shocking partisanship from the government in its approach to industrial relations. What people in Australia want is a government which will govern for all Australians and will not be as aggressive and partisan as this government and, in particular, the minister for workplace relations, has proved to be in relation to this matter.

I point to this hypocrisy and give an example which I think speaks volumes for the attitude taken by the minister for workplace relations in relation to his role. For nine long months in my constituency we had a shocking lockout of around 350 meat workers at the G&K O’Connor abattoir in Pakenham. Not one word did we hear from the minister for workplace relations in relation to getting some sort of resolution to this, talking to the company about ending this dispute which meant that some 300 or 350 people in my constituency were locked out of work, were unable to get an income for that period and had their families suffering as a result of that. For nine months this took place. There was not a whisper, not a word from the Commonwealth minister for workplace relations in relation to this dispute and in particular in relation to the behaviour of the employer, G&K O’Connor.

Just a month or so ago we saw one of the weekend newspapers do a sort of profile piece on the minister for workplace relations. He talked about how ‘deep down inside he had thought about this company, G&K O’Connor, and he could understand what they were trying to do.’ He could really relate to the company trying to have a go and that was the action they needed to take. He could really relate to it. It was something really personal to him. As I pointed out in a speech to the house last week, that company, G&K O’Connor, was the same company which was described by Justice Spender in the Federal Court as orchestrating a ‘baseball bat lockout’ and having taken actions which were similar to an American company called Pinkertons Incorporated, which is one of the most notoriously right wing and antagonistic labour organisations—union busters—in the United States.

That is how a Justice of the Federal Court described this company’s actions and yet we have the minister for workplace relations in Australia in this interview, this personal profile on him, telling people what is important to him and that he could really relate to that. He could really relate to having locked out 350 workers for nine months, depriving them of an income, depriving them of their livelihood. I have previously pointed out in this House the silent toll of that dispute. It is important to understand that silent toll when you consider the minister for workplace relations in this nice comfortable interview talking about how this was something he could really relate to.

In my constituency, there are families who have broken up as a direct result of that dis-
pute and the pressures of that nine-month lockout instigated by the company. As a result of that action, families have broken down. As a result of the action taken by the company G&K O'Connor, some people have had to sell their house, other people have had to sell their car. Also, there are a couple of people in my constituency who are having bankruptcy proceedings brought against them as a result of that action. This is the toll of the action which the minister for workplace relations and employment in Australia thinks is not just acceptable or tolerable but which, deep down inside of him, he can really relate to and understand.

I use that as an illustration to talk about the shocking partisanship which the Howard government has brought to the area of industrial relations. I have to tell you I think they are shockingly out of touch, hopelessly out of touch, when it comes to the attitude of the business community in relation to unfair dismissal and being able to sack people more easily. I have a large constituency, as you would be aware, Mr Deputy Speaker, and I have something like 1,100 shopkeepers and small business people in my constituency. Every six months I go to see all of those small business shopkeepers. It takes about two and a half weeks of my time but I go to see everyone and ask them how they are going and how their shops and their businesses are going. Not one of those people says to me in conversation, ‘You know, it’s going all right, but we would like to be able to sack our workers a little bit more easily. It’s going all right but you see Mandy over there who has been working with us for five and a half years and who has really made a big difference to our company, we would like to be able to get rid of her. We’d like to have the option of getting rid of her.’ No-one says that. It is a fiction, it is a furphy, it is a complete untruth for the government to run around saying that what small business are always telling them is they would love to be able to sack their work force more easily. It is completely untrue; it is just not an accurate reflection of what people in small business are genuinely about.

In relation to the government’s claim that we would see a whole lot more people employed if we made it easier to sack people in Australia, I think we need to more closely analyse this claim. I know that many people in the government have been running around talking about this grand figure of 50,000 jobs which would be created if the Commonwealth parliament passed a law which would make it easier for people to be sacked. I have to tell you, the ordinary punters in Australia, the real people in Australia, listening to us have a serious debate, that the government wants to introduce a law which makes it easier to sack people. The same government then wants to be able to then come back and say, ‘We want to make it easier to sack people because it will mean more people get employed.’ I think most people in Australia would think about that and say, ‘They have gone completely mad over there in Canberra in the federal parliament.’ I think they would be right to question the truth of what the government is saying.

These are just a few quotes of what the government has said in relation to this. In a Peter Reith press release he says:

The Democrats have already cost 50,000 Australians a job by rejecting the unfair dismissal proposals put forward by the Government. He said that on 26 July, 1998. He said in his second reading speech on the Workplace Relations Amendment (Unfair Dismissals) bill 1998 on 12 November:

A number of surveys found that unfair dismissal laws strongly influenced hiring decision and make completely plain the importance which businesses attach to this issue.

There are several other quotes, a few of which I will mention. Mr Reith went on to respond to a question without notice, saying:

… we will do all within our power to provide a fair go for small business. If you give small business a fair go then we believe there are 50,000 jobs to be created.

He said this on 26 July, 1998. He said in his second reading speech on the Workplace Relations Amendment (Unfair Dismissals) bill 1998 on 12 November:

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A number of surveys found that unfair dismissal laws strongly influenced hiring decision and make completely plain the importance which businesses attach to this issue.
We need to analyse exactly where this 50,000 job figure comes from. As far as we are able to work out, it comes from the small business council of Australia once saying to the minister that it thinks around 50,000 jobs would be created if it was made easier for people to be sacked in Australia. Minister Reith, in answer to question on notice No. 107 on 10 February last year, stated:

The Chief Executive of the Council of Small Business Organisations Australia, Mr Rob Bastian, based his estimate that 50,000 jobs would be created if small businesses were exempt from federal unfair dismissal laws on the, in his view conservative, premise that 1 in 20 small businesses would hire at least one more employee if the exclusion was to come into force.

What an amazing thing to say. We have had a minister of the Commonwealth of Australia running around quoting this 50,000 job figure on the flimsy basis of a conversation he has had with the Chief Executive of the Council of Small Business Organisations Australia. It is not as though COSBOA has done exhaustive research into this matter. It is not as though it has carried out a poll of all the small businesses in Australia, got some quantitative modellers and economists in and worked out exactly the impact this will have. He has based it on very flimsy evidence. This is not even economics 101. This is not even year 11 economics. He has based it on the fact that he thinks one in 20 small businesses would hire at least one more employee if the exclusion was to come into force.

Why not one in 10? In fact, why not one in two? This is just as possible. We may as well have asked COSBOA whether or not it thinks there would be five million jobs created as a result of our allowing the Commonwealth parliament to pass this law which will make it easier for employers to sack their staff. What a ridiculous proposition. Anyone who believes it is a mug. I do not believe that the Australian people believe it, not for a minute. As has been pointed out by the shadow minister for industrial relations in his contribution to this debate, in relation to how important unfair dismissal law is as a consideration of whether or not small business people will employ staff, the most reasonable figures we can draw on are from the Australian workplace industrial relations survey which was conducted in 1995. This showed quite convincingly that only for a very, very small percentage of employers were the unfair dismissal laws a consideration of whether or not they would employ more staff. When asked what was important to them in their consideration of whether or not they would employ more staff, 0.9 per cent of people responded by saying they would employ more people if it were easier to sack them.

I think 0.9 per cent reflects the number of small business people who are in the Liberal Party. That is the correct correlation one can make. About 0.9 per cent of small business people are probably in the Liberal Party. That is probably why we have that figure of 0.9 per cent from when that survey was conducted in 1995. I do not think it reflects for one minute what most small business people in Australia think is the right approach to their staffing needs in their workplaces.

I mentioned earlier the importance of the conciliation process in all this. This is something which we need to protect and preserve at all costs. We need to be conscious of the impact of any action that we take in the Commonwealth parliament as it relates to people going through conciliation processes in the future.

It is worth talking about a case—Doyle v. Western Suburbs District Rugby League Football Club—which proves the importance of the conciliation process. Justice Moore said in his finding:

I should add by way of a more general concluding observation, that it is plainly undesirable that the details of what occurs in the conciliation process before the Commission are published in any general way let alone provided to the court. The process of conciliation is one designed to enable a full and frank exchange of views between the parties with a view to settling the application on an agreed basis. If parties are aware that their discussions or the views of the Commission may later be published generally then their preparedness to be frank, or even to participate in the process at all, may diminish.

I think he is dead right. For those people who have an understanding of that process, it is often a very hard, confronting and, indeed, a very frank exchange which takes place in those conciliation hearings. It is a very frank
exchange. I am sure that those people who have had some experience of those hearings would agree that if one were to place over the top of that process the likelihood that that discussion would be almost a court proceeding and subject to the same rules as a court, we would not have the frank exchange and the dialogue; we would not hear people stating plainly what they want and the matter would not end up getting resolved at all. That is a very genuine concern which the opposition has in relation to this proposed legislation which has been put forward by the government.

The other thing I want to mention is that we do not think it is appropriate to stop workers getting compensation if it has been proved that their employer has ended their employment unlawfully. We think they should be entitled to get compensation for shock, distress and humiliation. We are talking about a small number of people who have found themselves to be in this situation.

In terms of protecting people’s rights and liberties and all of those things which we all hold dear in Australia, I think it is outrageous to suggest that people should forgo that right and not be able to claim compensation if they are found to have been unlawfully dismissed and if their employer is found to have acted in a manner which would cause them shock, distress or humiliation in the way that their dismissal has been handled—for example, if an employer dismisses someone and then insists that the police come in and escort that person from their workplace on no good basis. That person might never have been accused of theft or any of those things but the very public demonstration is that that person has committed a crime of some description and that is why that person is being dismissed. Or if any other type of humiliation is brought to bear on that employee for no good reason and the court finds that the person has been unlawfully dismissed, I think most Australians would agree that that employee should have the right to claim compensation.

In consideration of this debate, we must not forget the government’s agenda to make it possible for companies which employ 15 or 20 people to be able to sack their workers and to be exempt from any of the provisions of unfair dismissal which every other worker gets access to.

I consider this outrageous. It will create two different types of citizens, two different types of workers in Australia—that is basically what the government is saying. It is saying, ‘Let us have one set of rules for workers in companies with more than 15 or 20 employees; let us have another set of rules for companies which have fewer than 20 workers.’ This is unacceptable. Surely the rights of citizens in Australia are universal, and it should not matter at all whether a worker is employed by a company with five employees or one with 5,000 employees. Workers should have universal rights and access to the same industrial relations legislation, irrespective of the number of staff employed at their workplace.

I just make this point to those members on the government benches who represent rural and regional constituencies. There are a lot of workers—particularly in rural and regional areas—who work in workplaces with fewer than 15 or 20 employees. I am pretty well known in this place as someone who supports the forest industry and the communities and workers who draw their livelihood from the forest and the forest products sector. There are a lot of timber mills which employ fewer than 15 or 20 people. It is a tough industry, and that is why workers in that industry need access to the same industrial relations legislation as those employed in city workplaces with four or five thousand people. Those workers are entitled to exactly the same rights as workers in the cities—(Time expired)

Mr MURPHY (Lowe) (1.50 p.m.)—I would like to support the previous speaker, the member for McMillan, for his erudite exposition of this ridiculous legislation. I totally oppose this legislation. The Workplace Relations Amendment (Termination of Employment) Bill 2000 will further damage the rights of workers in relation to one of the most contentious and divisive political issues facing our country at this time, namely unfair dismissal laws, which this government is proposing to visit on the workers of Australia.
The government seems intent on pursuing its radical ideological industrial relations agenda, which is to advantage employers at the expense of ordinary Australian workers. The provisions in the bill have been condemned by my colleagues because they are designed to restrict and impede access to fair and affordable remedies against unfair termination of employment. The bill contains a number of amendments, some of which I would like to go through.

Firstly, provisions which prevent forum shopping by employees who are entitled to remedy under the Workplace Relations Act in respect of a harsh, unjust or unreasonable termination will be made stronger to ensure that those employees eligible for remedy under federal law are ineligible to apply for a state remedy. This is unfair, because federal employees are excluded by the Workplace Relations Act and states such as New South Wales have already legislated to include this group.

I turn to the provisions in the bill relating to the Industrial Relations Commission. Firstly, this bill will limit the discretion of the Industrial Relations Commission and the Federal Court of Australia to grant an extension of time for lodgment of applications in respect of both unfair and unlawful dismissals. What this means is that the commission will only be allowed to grant an extension of time if the circumstances of the late lodgment are exceptional, meaning that the commission is unable to consider the merits of the application due to the out-of-time constraint.

The commission will be given the power to prevent an applicant for unfair termination proceeding to arbitration if it forms the view that the application has a substantial prospect of being unsuccessful. What this basically means for the applicant is that the commission will have a hearing, and it effectively means that the conciliation proceedings will be abolished. As my colleague the member for Brisbane and shadow minister pointed out in this House this morning, that plainly is stupid.

Further, the provisions in this bill will also mean when considering whether a termination is unfair that the commission will be required to take into account the size of the employer’s undertaking, establishment or services. If the employer is able to demonstrate that the dismissal took place due to the operational requirements of the employer’s undertaking, establishment or service, the commission’s jurisdiction to find that a termination of employment is unfair will be limited.

What does this mean for the employee? The member for Brisbane told the chamber this morning—but I will repeat it now—that it means employees will be discriminated against on the size of the workplace. It means that if you work for a small company or small business, you will have fewer rights than those who work for larger companies. By passing this legislation, the government will be impeding the rights of ordinary working Australians, and that is a disgrace.

The provisions in this bill will allow the commission to require an applicant to lodge an amount of money up-front as security for any costs that may be awarded against him or her. Effectively this means that, unless the worker has enough money, he or she will be unable to lodge an application with the commission, despite having a reasonable prospect of winning the claim. That is outrageous.

Probably one of the most insidious parts of the legislation is that the commission is precluded from including in any damages compensation for shock, distress, humiliation or any other associated hurt caused by the manner in which the dismissal took place. As my colleague the shadow minister who is sitting at the table at the moment said earlier today, cases where this occurs are few and far between. However, they do occur. No person should have to face distress or humiliation at the hands of their employer or former employer. I believe that the commission should be able to award such compensation if the dismissal causes pain.

I now turn to other issues affecting representatives of applicants. The provisions relating to representatives are highly disturbing. There is no law in this country which prohibits representatives being retained pursuant to a no-win no-fee arrangement, yet the government seeks to implement one by requiring representatives to disclose this to the commission. This is also outrageous.
As the member for Brisbane, Arch Bevis, said also, there is no reasonable explanation or evidence that unfair dismissal laws are a deterrent to creating jobs. Further, less than one per cent of small businesses in a survey rated unfair dismissal laws as a reason for not employing staff.

This insidious bill works to cut off applicants from sources of legal and financial assistance. It will force those with a claim to represent and defend themselves in the commission. It will complicate the industrial relations system in Australia and it will certainly make it more difficult for workers to win an unfair dismissal case in this country.

In my constituency of Lowe, workers do not want an unfair industrial relations system in our country. I will not support any bill like this one before the House today or at any other time in the future. I call on the government to do its duty to the workers of our country and protect their rights, not impede them. We are living in a time of great insecurity and quite plainly this government is promoting insecurity. There is no security now for workers and consequently no security for families. Every day in question time—no doubt we will get another serve of it this afternoon—the Minister for Employment, Workplace Relations and Small Business comes in here and absolutely canes the workers of Australia and the unions.

Mr Hardgrave interjecting—

Mr MURPHY—The member for Moreton is interjecting, but the Minister for Employment, Workplace Relations and Small Business is making a blood sport of bashing the unions and bashing the workers, because quite plainly he is not interested in them. The workers are spitting spiders in Australia today because of the legislation that is being visited on those people who only have their labour to sell. This government seems more intent on looking after those who have the capital and means of production and exchange and could not give a rat’s you-know-what about the poor old workers. As I said, little wonder that they are spitting spiders about the legislation, because this is taking away security of employment and has consequences on families.

I worked for many years in the Commonwealth public sector. Under this minister, I have seen the way the heart and soul has been ripped out of the public sector. The public sector provides an invaluable resource for the government of the day. Quite obviously, with the utilitarian mentality this government has of the greatest good for the greatest people, ordinary workers are being left behind. The government is only interested in looking after the big fish. We saw, as evidence, in the questions asked in question time that the government is not serious even about dealing properly with the tax avoiders in this country but it is quite happy to kick in the guts the poor old workers and the unions. I see the member for North Sydney is just coming in here and he has a smile on his face like a carpet snake in a fowl yard.

Mr SPEAKER—Order! The member for Lowe.

Mr MURPHY—Well, he is supporting the government on a regime of kicking the workers and the unions in the guts. The consequences of this, as I keep saying, is all about taking away the security of families and they could not give a damn. They are interested only in those who have the capital and the means of production and exchange and they could not give a damn about those who have only their labour to sell. They are the majority of people we represent in this parliament—those who only have their labour to sell. The rich and powerful can do what they like. They can avoid paying taxation. Do you think this government is going to do anything to get the proper revenue that should be due to the Commonwealth from those rich and powerful people who refuse to pay tax? It is a rotten disgrace and I will not have a bar of it.

Mr SPEAKER—Order! It being 2 p.m. the debate is interrupted. In accordance with standing order 101A, the debate may be resumed at a later hour. The member for Lowe may have leave to continue speaking when the debate is resumed.
CONDOLENCES
Lindsay, Mr Robert William Ludovic, OBE

Mr SPEAKER (2.00 p.m.)—I inform the House of the death on Wednesday, 6 September 2000 of Robert William Ludovic Lindsay OBE, a member of this House for the division of Flinders from 1954 to 1966. As a mark of respect to the memory of Mr Lindsay, I invite honourable members to rise in their places.

Honourable members having stood in their places—

Mr SPEAKER—I thank the House.

MINISTERIAL ARRANGEMENTS

Mr ANDERSON (Gwydir—Acting Prime Minister) (2.00 p.m.)—I inform the House that the Treasurer, the Hon. Peter Costello, will be absent from question time today. Mr Costello will be visiting Indonesia for discussions with senior economic ministers and business organisations. He will be going on to Brunei to attend the APEC finance ministers meeting. The Assistant Treasurer, Senator Rod Kemp, will be Acting Treasurer, and the Minister for Finance and Administration, the Hon. John Fahey, will answer questions on his behalf in the House this afternoon.

QUESTIONS WITHOUT NOTICE
Goods and Services Tax: Petrol Prices

Mr CREAN (2.01 p.m.)—My question is to the Acting Prime Minister. Have you seen reports of a revolt by the Victorian branch of the National Party over petrol tax? Acting Prime Minister, how are you going to explain to them when you meet this weekend your broken promise that the price of petrol would not rise due to the GST? How are you going to explain that, under your new tax system, for the first time petrol tax is now higher in the regions than in the city?

Mr ANDERSON—I thank the honourable member for his somewhat predictable question. As usual, you cannot take at face value his interpretation of what others have said. It is true that a member of the Victorian branch of my party has made some comments about the concern in rural areas about high fuel prices, but the first and foremost point that I want to raise is that he has acknowledged, the member opposite might like to know, that to a very great extent the concerns in rural and regional areas about the differential between country and city prices has eased. He said that. And for some unknown reason, the member who asked the question chose not to refer to those comments. I am not quite sure why! Quite simply, the National Party’s position on this is on the record; the coalition’s position is on the record. Our position is quite firm. You attempt to continue—

Mr Crean—Mr Speaker, the question did raise the differential and—

Mr SPEAKER—Does the Deputy Leader of the Opposition have a point of order?

Mr Crean—the fact that your new tax system widens it. What are you going to tell them about that?

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. The Deputy Leader of the Opposition received the call but did not indicate for what reason he had risen.

Mr ANDERSON—I repeat the point that there is an attempt by the member who asked the question, the shadow Treasurer, to misrepresent the claims made by the president of the Victorian branch of the National Party. He actually said that concern has moved from the fact that there is a discrepancy between country and city fuel prices to an overall concern about high fuel prices. We all share that. But there is one thing we do: we move around, people talk to us and we listen to their concerns about fuel prices. As we talk to those who have an understanding of the issue, there is one thing that we do not do—and that is to accept any authority, moral or otherwise, from the ALP on the question of petrol pricing.

West Timor: Militias

Mr HARDGRAVE (2.04 p.m.)—My question is to the Minister for Foreign Affairs. Would the minister update the House on the disturbing events in west Timor yesterday and overnight and the government’s reaction to these developments?

Mr DOWNER—I thank the member for Moreton for his question and recognise the interest that he has had for quite some time in the situation in both East and west Timor,
The government deplores the tragic turn of events in Atambua yesterday, when armed militia attacked the United Nations High Commission for Refugees officers and set fire to offices and destroyed them. At least three UNHCR staff have been killed, and many others have been injured. I can inform the House that there were no Australians among the dead or injured. The attacks and the rioting were sparked by a funeral procession for a murdered militia leader.

The activities of the militias in west Timor are doing enormous damage, and I know that the international community is at one in urging the Indonesian government to take further steps to bring the militias under control. We welcome the decision by the Indonesian government today to send two additional battalions to west Timor to endeavour to bring the militias under control, and we very much hope that this measure will be effective.

There is no doubt that there are particular individuals in these militias who are leading them and who are endeavouring to create a maximum of damage and destruction in west Timor, as well as organising raids into East Timor from west Timor. Amongst those people, one of the best known is Eurico Guterres. This is somebody who the Indonesians must make every effort to bring to justice.

Over 40 international and local staff from the UNHCR and other organisations were airlifted by the United Nations peacekeeping organisation to East Timor yesterday, and the evacuations from west Timor will continue today. The Australian government has also withdrawn Australian aid project staff from west Timor. I have also ensured that the consular travel advice be amended. Australians are urged to defer all travel to west Timor until further notice and a consular team from Jakarta is now travelling to Kupang. The Minister for Immigration and Multicultural Affairs will be writing to the United Nations High Commissioner for Refugees, Mrs Ogata, to convey our sincere condolences for those who have died.

This appalling incident underlines the seriousness of the security situation. As we have made clear many times, the government of Indonesia is responsible for providing effective security and ending militia activity in west Timor, including disarming and disbanding militias and bringing to justice those who have committed crimes. The Prime Minister has underlined his concerns to President Wahid in the last 24 hours. The Treasurer, Mr Costello, will be raising our concerns with the Coordinating Minister for Political, Social and Security Affairs, Bam-bang Yudhoyono, in Jakarta during today and raising those same concerns with Vice President Megawati tomorrow. I reiterated our concerns in a discussion I had earlier today with the Indonesian ambassador. As I have said already, we do welcome the advice from the Indonesians that they are sending two additional battalions, which will constitute about 1,200 troops into west Timor, in order to endeavour to bring the situation more effectively under control.

**Aviation: Audible Warning Systems**

Mr MARTIN FERGUSON (2.09 p.m.)—My question is directed to the Acting Prime Minister and Minister for Transport and Regional Services. Minister, are you aware that BASI’s recommendation to add an aural warning system to the Beechcraft B200 would cost approximately $2,000 for a plane valued at around $2.2 million? Minister, did CASA make the decision to not mandate the system on the basis of cost alone? Given that BASI detailed major safety benefits from installing these systems, were you or your office advised at any point prior to this week’s accident of BASI’s recommendations, BASI’s discussions with CASA on this matter or CASA’s decision on whether or not to mandate these systems?

Mr ANDERSON—I thank the honourable member for his question. I know that all people in this place are concerned to ensure that we can establish the cause of this accident as soon as possible. It is not yet established and, as I commented in this place yesterday, premature judgments about the causes of aviation accidents are always unwise because they very often are proved to be wrong.

As usual, one should be very careful about claims made by those opposite. I have no idea what sort of audible warning system you would get for $2,000. My advice is that there are a number of questions that would have to be resolved about the type of audible warning...
system that might be fitted. The switching, whether or not it relied on the same switch as the current lighting or on visible signs and a whole range of things of that order would have to be considered before a determination was made about the type of audible warning device that was fitted and then what it might cost.

As is his want, the member opposite has apparently become something of an overnight expert in this matter and now understands it inside out. What I said in this House and tabled yesterday and what has been said since has made it quite evident that there is a surprising divergence of views amongst experts on this matter. The standard applied to aircraft of this sort is FAA23, overseen in the United States where the safety regulator, the FAA, is—

Mr Martin Ferguson—Mr Speaker, I rise on a point of order as to the question of relevance. I asked specific questions as to when the minister or his office became aware of these issues. He has sought to avoid answering those questions.

Mr Speaker—The member for Batman will resume his seat. By any measure, the Acting Prime Minister is being relevant.

Mr ANDERSON—I would have thought, by any measure, assuming only that the questioner is interested in the facts of the matter and not some cheap and ghoulish attempt to be political. It reflects extraordinarily poorly on this individual who understands far better the art of personal vilification than he does serious policy debate. The simple fact is that there is a considerable divergence of opinion among the experts on this matter. In fact, we had an interim report issued in about October last year. A number of interim recommendations were made—the report did not only cover this matter. Some recommendations were acted upon. This particular one went to the FAA, to the manufacturers of the aeroplane and to CASA. The FAA’s attitude was reflected in the letter I tabled yesterday.

The manufacturer indicated that they did not want to move at that time. CASA indicated that they would await further consultation and the finalisation of the ATSB’s report, which in fact was due today, I think, but is likely to be postponed because of the further accident. This particular matter—I have no intention of trying to mislead on this matter—was not brought to my attention until the accident took place. It was under active consideration by the experts in the field. That is the way we have set up aviation safety in this country.

I do not purport for a moment to be an expert on aviation safety matters in terms of technical expertise. I ask the Leader of the Opposition: did you proclaim yourself to be an expert in technical matters relating to aviation safety? Did Laurie Brereton? Did any of those opposite? In fact, you yourselves set up what I regard as a broadly appropriate approach whereby as minister I am responsible for the oversighting of the good governance of aviation safety and we rightly employ independent experts to form judgments on these matters. We have seen a tragic loss of life here. I suggest to those opposite that they do not fall into the mistake of sounding ghoulish while we attempt to find out what caused this tragedy and what might be done to limit the further opportunity for them to happen. Again, I remind you that there are some 2,000 of these aircraft flying around the world and they have a very good safety record. In due course, as I have indicated must now happen, there will be a proper consideration of the differences of opinion among the experts on this and they must resolve those differences.

Employment: Labour Force Data

Dr SOUTHCOCK (2.15 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. The Australian Bureau of Statistics has today released labour force data for August. Minister, would you inform the House what this data reveals and how these results have been achieved? Are you aware of any alternative policies to promote employment?

Mr REITH—I thank the honourable member for his question. The ABS released the latest unemployment figures today. They are very good numbers. Members might remember that last month jobs growth indicated a fantastic number of 70,000 or so. My expectation, from a layman’s point of view,
was that with the volatility of the monthly numbers there would be some fall back this month, but today’s figures show that the numbers have been very strong. Seasonally adjusted employment grew by a very solid 24,100 jobs, which has seen the unemployment rate move up marginally by 0.1 of a percentage point—from 6.3 per cent to 6.4 per cent—but that is against a backdrop of a rising participation rate. In fact, the participation rate went up by 0.2 of a percentage point to 64.1 per cent. This is equal to the highest participation rate recorded since the monthly labour force survey began in February 1978.

Mr Tanner interjecting—

Mr REITH—I note the interjection. I would not want to respond to the member personally because that would contravene standing orders, but the fact is that on average—over the time that we have been in, compared with the last six years of the Labor Party—the participation rate under us has been higher than what it was under Labor. We have just notched up a record figure, and still they interject. They should not be interjecting. They ought to be voting for the further reforms in the Senate, which would help small business, so we can drive the unemployment numbers lower. What a pathetic response. This is a record number. Why is it a record number? Because we are a government, committed to helping business—particularly small business—which goes out and creates the jobs.

In respect of young people, there are fewer teenagers unemployed and looking for full-time work than at any time since the monthly survey began in February 1978. These are excellent numbers. Average annual jobs growth under us, on that same basis, has been 188,700. When Labor was in, it was only 70,600. Annual percentage jobs growth under Labor was 0.9 per cent. Under us it is 2.2 per cent—more than double Labor’s performance. This demonstrates good government and good policies—and great results for the average person.

Ms Kernot—Will they last?

Mr REITH—Will they last! The Labor Party, when they were last in government, gave us the highest level of unemployment since the Great Depression. Who was the minister for employment? None other than the Leader of the Opposition. I conclude by saying that you have to have policies. If you do not have policies, these are the sorts of things people will say about you. This is what somebody once said about not having policies. They said:

A policy vacuum hiding a mound of deceit—deceit which conceals a set of prejudices, not policies; prejudices aimed at the ordinary Australian working man and woman. You deserve dismissal and censure...

So said this person, about a party which he claimed did not have policies. Who said that? None other than the Leader of the Opposition, who has no policies. He said a couple of days ago that his frontbench—the weakest frontbench since World War II—has finally produced some policies, which are all sitting in the basement with the mushrooms. What are you going to do with them for 12 months? What are you going to feed these policies on? We think it is time these policies came out. We say on this side that 6.4 per cent and 20,000-odd jobs this month is a good number, but we say that, in a country as rich in resources as Australia, we ought to do better on the unemployment front. This government has policies. It is time that those sitting opposite produced a few policies and showed that they have an alternative. They either have no policies, or they must be frightened to expose them. It is time that the Leader of the Opposition had a bit of policy oomph and produced one just for once.

Aviation: Audible Warning Systems

Mr MARTIN FERGUSON (2.20 p.m.)—My question is directed to the Acting Prime Minister and Minister for Transport and Regional Services. Minister, you told the House today that you were not aware until after the recent accident of the divergence of views concerning BASI’s recommendation to add an aural warning system. Minister, when did your office first become aware of what you said today was a serious divergence of views concerning BASI’s recommendations?

Mr ANDERSON—Let me confirm for the member for Batman again that I have given him an absolutely forthright answer on
when I became aware of it. I believe that my office became aware of the particular reasons that CASA put forward for withholding a final decision until the final report came through from the ATSB a little before I did. I am not quite certain what point the member opposite is trying to establish but, again, I would simply point out to you that we have here a situation where the people involved are charged with enormous responsibility to make recommendations—in this case an interim recommendation was made—to the manufacturer of the aeroplanes and to the world's biggest and most powerful regulator, the FAA in America. Both of them regarded it as unnecessary to move. CASA indicated that:

... before imposing such a condition on operators, extensive consultation would need to be undertaken. The authority will await the outcome of two considerations—without giving the letters, they are on the record anyway—before contemplating further action on this matter. I repeat that I and, as you would appreciate, my office are not charged with the responsibility of being the technical experts in this matter. It is as simple as that.

Mr Beazley—We are accepting the position, Mr Speaker.

Mr Reith—What's this?

Mr Beazley—It's on relevance.

Mr Reith—How can it be?

Mr SPEAKER—Leader of the House! The Leader of the Opposition will address his remarks through the chair. The Leader of the Opposition has a point of order?

Mr Beazley—Yes, and it goes to relevance. The question was explicitly about when the minister's office, not when he himself, became aware—

Mr SPEAKER—The Leader of the Opposition will resume his seat.

Mr Beazley—He has said he did not become aware until after, but when did his office—

Mr SPEAKER—The Leader of the Opposition will resume his seat. I do not expect to ask anyone more than once to resume their seat.

Mr Reith—I rise on a point of order, Mr Speaker, and it is simple. It is that the Leader of the Opposition has nominated the basis of his point of order. Mr Speaker, I put it to you that on numerous occasions you have indicated that you have every capacity to determine the issue of relevance without a lengthy argument being put by the Leader of the Opposition, or any other opposition member for that matter. On that basis, Mr Speaker, once he has claimed relevance, given the fact that the Acting Prime Minister was obviously relevant, I put it to you that the matter should be dealt with immediately and that it should not provide an opportunity for argument from the Leader of the Opposition, of which we have far too much.

Mr SPEAKER—I listened closely to the Acting Prime Minister's answer. What he has said was relevant to the question asked, and I call the Acting Prime Minister.

Mr ANDERSON—Thank you, Mr Speaker. I simply conclude my remarks by saying that it is my understanding that my office became aware of the particulars of this situation shortly after the accident. I became aware of it at around midday on that day. But it should be remembered that many sensitive issues are raised with me concerning both airline companies and disputes over regulations. This was not. Up until this last very unfortunate accident, CASA's view was that 'this incident—that of June last year involving the plane that flew from Edinburgh in South Australia to Oakey in Queensland—'does not provide sufficient justification'in their view—to mandate retro-fitting of audible cabin altitude warning.' There was no reason to have foreseen—and I do not believe it would have been reasonable to have asked that of anybody—that the tragic set of circumstances that has evolved would have reignited this debate.

But, again, I make what I think is a very important point: we do not know the cause of the accident. The outrageous assumption made by a member of the ALP in the Senate yesterday that the evidence seems to suggest—and he put it perhaps even more strongly than that—that the fitting of this device might have saved lives is premature. We do not know what caused the accident.
There are no grounds whatsoever at this point in time for saying that lives might have been saved—we would all have liked to have seen those lives saved—had there been an audible warning system. And I again indicate that, in the interests of being fair and reasonable, and indeed out of respect for those who have lost lives, encouraging irresponsible and unnecessary speculation along these lines is not helpful.

Mr Martin Ferguson—Mr Speaker, I seek leave to table the minister’s departmental recommendations of 7 October 1999 concerning this issue.

Leave granted.

Rural and Regional Australia: Economic and Social Opportunity

Mr Haase (2.27 p.m.)—My question is addressed to the Acting Prime Minister and Minister for Transport and Regional Services. Can the Acting Prime Minister advise the House on actions the government is taking to strengthen economic and social opportunities in rural, regional and remote Australia? Is the minister aware of any alternatives?

Mr Anderson—I thank the honourable member for his question. Over the last 4½ years or so we have been about providing strong leadership, which, of course, produces a better and more secure future for people who live in rural and regional Australia. It is a difficult time in rural and regional areas here, and indeed right across the world, as people cope with change. But our approaches have been delivering. This is in stark contrast to the Leader of the Opposition who, for all of his chest beating about his concerns for rural and regional Australia, failed to find time to even mention regional issues in his keynote address in Tasmania. He could not find the time to mention rural, regional and remote Australians and their needs in his keynote address in Tasmania.

In comparing what we have been doing as a government with the ALP’s approach, I have to make the comment at the outset that we do not know yet what they do. We are told they have a policy. It is in the top drawer; it is ready to be released. Mr Beazley, the Leader of the Opposition, says that there is one and we therefore assume that Mr Ferguson has produced it, or has at least provided it to him. Hopefully, this is something that we can rely upon, as we all recall that the member for Dickson was for a very long time about to produce a rural and regional policy. We heard week after week that we were about to get a rural and regional policy. Of course, it never really happened. When the member for Batman became the shadow minister responsible in this area, he found the cupboard bare—there wasn’t one. I can only say that I hope we do not find that we get a repetition of that, and that these promises that all policies are there just waiting to be released do not prove to be empty yet again.

In the absence of any clear policy at all from the Labor Party in relation to rural and regional Australia, we will have to go on their form—we will have to look at what they have done. We could start with our very important economic reforms in this country starting when we began 4½ years ago to wind back the economic mess that we had inherited. The Labor Party, of course, denied that there was any such thing as the Beazley black hole. We found that the Labor Party opposed every move we took to wean ourselves off their bankcard binge. As we sought to get inflation and interest rates back under control, we found that they were against every measure we took.

Then, of course, there was tax. We saw tax reform as vital for rural and regional Australia and so did bodies like the National Farmers Federation. They saw it as important to remove $3.5 billion worth of indirect taxes on our exports. They were particularly keen to see what is now a $2.2 billion reduction in taxes on transport fuel. They are also, of course, very committed to the $500 million that we have put into easing the differential between country and city fuel prices. Again, what might the ALP’s approach be to this? The shadow Treasurer has told us that he prefers the old indirect tax mix. He wants a roll-back to higher fuel excise, presumably to pay for the big promises that are emerging elsewhere. So the question might be asked: in whose policy will the roll-back to fuel excise, which the shadow Treasurer says that he prefers, be revealed? Will it be in the member...
for Batman’s or the member for Hotham’s? We await the answer with very great interest.

We have noticed that there has not been any mention of roll-back for a while. But we have found that the Leader of the Opposition, in commenting on the No GST Party, claimed:

The only party with an honourable record on the goods and services tax was the ALP.

But it gets more interesting. He also said:

We’re the ones who stood against it at the last election.

But they are in favour of it now. He continued:

We’re the ones who will have—and this is the interesting bit—the practical measures to fix it up and make it fairer and simpler.

It is not called roll-back anymore. They do not want to mention the ‘R’ word anymore—like rural, remote and regional—but here it is again: they are going to adopt ‘practical measures to fix it up and make it fairer and simpler.’ Well, rural and regional Australia would like to know what the roll-back really is, where it is going to be, who is going to pay and who is going to lose.

There were a whole range of measures. We introduced the Natural Heritage Trust. Who opposed us? We introduced Work for the Dole, which is very highly regarded in rural and regional Australia. Until it became popular, who opposed us? Of course, the Labor Party leave it to the union movement now because they know that Work for the Dole is very popular, including amongst those who have been on the scheme. We introduced Networking the Nation. Who opposed it? At the moment the only evidence we have that we can be sure of in relation to the Labor Party’s rural policy is that their central objective is to make it too expensive for anyone to live out there. I say to the Leader of the Opposition that it is about time that we saw those policies. You are running around saying that you are ready for an election any time. On that basis, you owe it to the country to reveal those policies.

**Aviation: Audible Warning Systems**

Mr MARTIN FERGUSON (2.34 p.m.)—My question without notice is to the Acting Prime Minister and Minister for Transport and Regional Services. Minister, didn’t last year’s King Air decompression incident, which led to the BASI recommendation of October 1999 for the compulsory installation of aural warning system devices, involve an aircraft chartered by the Australian Defence Force at the time of its pressure failure? Minister, what advice did the Department of Defence give to you, your office or your department about the Defence failure? Minister, when did you or your office actually receive such advice from the Department of Defence? What was the nature of the advice and what did you do?

Mr ANDERSON—I have had no advice from the Department of Defence on this matter. I would simply say that the recommendations that you have tabled were, of course, published on the ATSB web site. They were not provided in a direct form to my office prior to Tuesday of this week.

**Research and Development: Government Policy**

Mrs MOYLAN (2.35 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Can the minister inform the House about the government’s promotion of innovation and research and development? Is the minister aware of alternative policies, and what is his response?

Dr KEMP—I thank the honourable member for Pearce for her question. I know her commitment to making sure that Australia gets the maximum benefits in terms of new enterprises and new jobs out of research and development. Since coming to office the government has consistently promoted innovation and knowledge. Shortly after coming to office the Prime Minister’s science council became the Prime Minister’s Science, Engineering and Innovation Council. The government has recently received a report from the innovation summit, presenting the government with a range of policy options to further promote innovation in research and development. The government has established a ministerial council on biotechnology.
The government is determined that we gain for Australians, in terms of new jobs and new enterprises, the maximum benefits from the technological revolutions which are now taking place in information technology and biotechnology.

The opposition has, however, recently appointed a new shadow minister in this area, who has presented views to this House already which show that the opposition is not nearly as committed as the government to getting the benefits of employment from these technological revolutions. In fact, the shadow minister claimed in the House yesterday that expenditure on research and experimental development by Australian universities had suffered its greatest ever decline. This was exactly contrary to the truth. I have to say that we know that the shadow minister has never let facts get in the way of a good story, but the facts are that expenditure on research and experimental development by Australian universities increased by some 13 per cent between 1996 and 1998, that is, from $2.3 billion to $2.6 billion.

The opposition has, one must say, a much larger problem, however, because the shadow minister has actually been going around campaigning against innovation based on biotechnology. She has been conducting a continuing campaign against biotechnology companies, saying that they are motivated by profit rather than need. Of course, that is something she does not like, because she really does not like the profit motive. This will be deeply discouraging to those in Australian industry who want to see Australia take advantage of these new technological revolutions. The problem again is that the shadow minister has a record in this area. When she was Premier of Western Australia, Peter Ellery, the Chief Executive Officer of the Chamber of Mines and Industry, said:

"We have said often enough that we believe that the Lawrence government does not have the management ability or the understanding of the mining industry which is necessary for it to effectively run this state’s biggest industry."

In other words, there is a record that this shadow minister really does not understand the needs of industry and industry development, and yet she is the shadow minister for industry and innovation. Terry O’Brien, the spokesman for the forest industries, said at the time:

"Labor lacks guts. It will not provide security for investment or the right climate for investment, which means jobs in the south-west."

In relation to small business—which will be absolutely crucial in making sure that Australia takes advantage of these advances in knowledge and technology—Philip A. Church, the Executive Director of the Western Australian Small Business and Enterprise Association, said in 1993 about the management of the shadow minister when she was Premier:

"For 10 years the management has not been there. The real understanding of small business problems has not been there."

So we have on the Labor side, contrary to the government, a shadow minister who is actually campaigning against innovation, campaigning against industry and whose record shows that she has absolutely no understanding of small business and what it takes to motivate small business.

The Labor Party have no credibility in this area. If the Leader of the Opposition had had the strength to stand up to the factions, she would not now be the shadow minister and the Labor Party might have had a better chance of establishing some credibility in this area.

**Aviation: Audible Warning Systems**

Mr MARTIN FERGUSON (2.41 p.m.)—My question without notice is addressed to the Acting Prime Minister and Minister for Transport and Regional Services. Minister, prior to this week’s Beechcraft B200 accident, had anyone in your office seen or taken down the advice on your department’s web site concerning last year’s aircraft decompression? Minister, if so, did they discuss BASI’s advice with you?

Mr ANDERSON—I have been quite open in saying that I became aware of this matter at about midday on the day of that tragic accident. Can I repeat for the member opposite who, as I say, is very short on any quality policy input or debate—

Mr Brereton—This is not a time to be talking about policy.
Mr Anderson—The interjector was once the Minister for Transport. Does he claim that he was a technical expert? The fact of the matter is that the technical experts on these sorts of issues are in constant and ongoing dialogue. It is appropriate that they resolve these matters. I have taken the necessary measures to ensure—

Mr Martin Ferguson—Mr Speaker, I rise on a point of order which goes to relevance. The question was very specific. It was about the advice of October 1999, not this week’s accident. I ask that you draw the question to the attention—

Mr Speaker—The member for Batman will resume his seat. The member for Batman must know that the obligation of the chair is to ensure that the answer is relevant to the question. The form the answer takes is entirely a matter, under the standing orders, for the minister. The minister has dealt only with the issue raised in the question, and I call him.

Mr Anderson—I simply conclude by saying that this is appropriately a matter for aviation technical expertise. I have asked CASA and the bureau to accelerate their processes and to revisit the matter as a matter of urgency. That is the appropriate course of action for me, as minister, to take. The shadow minister seeks only to pursue some obscure and opportunistic political point.

Employment: Skills Shortages

Ms Julie Bishop (2.44 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Minister, what action is the government taking to address skills shortages? Is the minister aware of alternative policies, and what is his response?

Dr Kemp—I thank the member for Curtin for her question. The policies of the Howard government are leading to a strong increase in skills available to the Australian workforce. The ABS data for September last year show that 55 per cent of Australia’s 15- to 24-year-old population were participating in education, up from 49 per cent in 1994. The Leader of the Opposition may be interested in this evidence of the increasing level of skills in the Australian workforce. The biggest increases in skilling were at the tertiary level. The number of full-time tertiary students has grown by 24 per cent since 1994. So we are seeing the policies of this government working to produce the skills that Australian industry needs to become competitive. The number of new apprentices has almost doubled since the Howard government came to office, with over a quarter of a million apprentices now in training.

Despite this enormous growth, there do remain some pockets in some industries which are finding it difficult to access the skilled labour that they need. In many cases, this situation has been produced by the rapid growth in the Australian economy that is taking place as a result of the highly successful economic policies of this government. The government has been working with three industries requiring urgent attention: the engineering, electro-technological and automotive industries. Each of these industries, I am pleased to say, now has an industry skills action plan. These action plans include strategies like improving the image of these industries with students, parents and teachers and helping employers take advantage of the new flexibilities under the new apprenticeship system. The government has put in place an enterprise friendly training system. This has been welcomed greatly by industry because we have taken the training system out of the control of the trade union movement, where the Labor Party firmly placed it.

There are alternative suggestions on the record now from the Leader of the Opposition and in the platform of the Labor Party. These alternatives are a return to centralised labour market planning and a return to union control over the training system. They will lead to a decline in the number of apprenticeship opportunities in Australia. They will perpetuate the skills shortages that existed right through the period of the previous Labor government. The Leader of the Opposition, once again, clearly does not understand and will not get the advice to implement the policies to have industry undertake the training it needs to give it the skills that will make it competitive. The Howard government listens to business. It listens to small business. It has implemented a tax reform system
which has been highly successful. It has reformed the training system to meet business needs. That is a dramatic contrast with anything the Labor Party has on the record at present.

**Wool Industry**

Mr O’CONNOR (2.47 p.m.)—Acting Prime Minister, is it not a fact that in your former capacity as minister for agriculture you approved a set of arrangements which has left Australian wool growers financially exposed in the event of the withdrawal of Cape Wools of South Africa from The Woolmark Co.?

Mr Hawker—Mr Speaker, I take a point of order. That question has already been asked this week.

Government member—And fully answered.

Mr McMullan—Mr Speaker, may I speak to that point of order. First, it is a different question and, secondly, it certainly has not— as the standing orders require—been fully answered.

Mr SPEAKER—I had already determined while the member for Corio was asking the question that it was not the same as the question asked yesterday, which more explicitly referred to South African changes. I call the Acting Prime Minister.

Mr ANDERSON—I thank the honourable member for his question. The short answer is no—absolutely, emphatically no, it is not true. No-one in the wool industry is making that claim. The fact that you do reflects very poorly on you. Let me reiterate a couple of points. The board of AWRAP—

Mr O’Connor interjecting—

Mr ANDERSON—Would the member for Corio like the answer or not? The board of the Australian Wool Research and Promotion Organisation wrote to me in my then capacity around midnight in 1997 as Minister for Primary Industries and Energy seeking my approval to take over the assets and liabilities of the International Wool Secretariat. My approval for that proposal recognised that the memorandum and articles of association of what was known as Newco, which was a subsidiary of AWRAP, included provisions for AWRAP to acquire the South African shares in the event that the South Africans required it to do so. It is this very process that AWRAP and the South Africans are now engaged in negotiations to settle. I renew my advice, given twice to the member opposite earlier this week, that he ought to tread very carefully on this matter lest he prejudice the interests of Australian wool growers.

Mr Truss—He already has.

Mr ANDERSON—As the minister assures me, he has. I would suggest to the honourable member that his blatant politicking on this issue, with cavalier disregard for the interests of the people he purports to speak for, might very well be—

Mr O’Connor—What about the wool growers?

Mr ANDERSON—What about the wool growers? That is the point.

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

Mr ANDERSON—that is the point. You are out there speculating—

Mr O’Connor—They bear the brunt of what you sign. You signed up.

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

Mr ANDERSON—I did not sign up. I have just emphatically said I did not sign a contract, which is what you asked me the other day. I signed no such thing. You make a false allegation and you do it in a way that prejudices the interests of the Australian wool growers. The member opposite has been offered a briefing, as I understand it. I have no doubt that the minister for agriculture would be more than happy to give him a briefing so that he understands this issue. I see him nodding. I am delighted that he now appears willing to take up this offer, because it is a sensitive matter.

Mr O’Connor—I have already had the briefing; that is why the question has been asked.

Mr ANDERSON—It seems to me that you had better go and get another briefing, because the wool industry of Australia will not thank you for misrepresenting what happened and for encouraging false—and, if I
may say so, ludicrous—speculation about the value of those shares.

**Industrial Organisations**

Mr PROSSER (2.52 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Minister, what measures is the government considering to increase the level of democratic accountability and democratic voting structures within the industrial organisations? Are you aware of any alternative policies on this issue?

Mr REITH—I thank the member for Forrest for his question. This is an important issue. It is one which the government has now been addressing for some time. We put out a discussion paper on changes that could be made to the operation of and the rules which affect registered organisations. ‘Registered organisations’ includes both unions and employer organisations. The government’s view, based on recent experience and the advice that we have had from interested parties, including the accounting professions, is that further reform or significant reform in this area is desirable. The government has also released an exposure bill which we would hope to be able to introduce into the parliament.

In some quarters, within some registered organisations, there has been a culture which does not reflect mainstream community views. The concern that I have is based on the rights of members within registered organisations to genuinely have a say on the way in which their organisations are run. I also share the concerns of the member for Fremantle, who made the point recently that unions have a disproportionate influence on the Labor Party. That is a serious matter. As she said only a couple of weeks ago, there have been almost daily revelations within the Labor Party of all sorts of electoral rorts of one sort or another. Of course, the control that the factions have over the Labor Party has been in evidence this week. Obviously it is not in the best interests of workers that the factions should have the control that they do. My authority for that proposition is none other than the member for Fremantle.

The issue of the way in which ballots are conducted and the like is a cultural thing which goes right across both sides of the labour movement—both the industrial and the political wings. The member for Lilley would know a lot about the rorts in Queensland. We have had three people, I think, who have been convicted of criminal offences in Queensland within the Labor Party and now we find that a reference of some of these issues to a parliamentary committee has been described by the Leader of the Opposition as a stunt. What an interesting contrast that makes with the Premier of Queensland, who said:

If any members of my party are found to have transgressed, they will face the full consequences of the law.

He also added:

Should there be serious allegations of unlawful behaviour or official misconduct by anyone in parliament these people will stand aside until the matter is resolved.

Mr Bevis—Mr Speaker, I rise on a point of order.

Mr REITH—He’s too weak to even match a standard set by Peter Beattie.

Mr SPEAKER—Order!

Mr Bevis—The point of order is in relation to relevance. The matters that the minister is now canvassing are not matters to do with the industrial relations portfolio. He is not talking about Queensland industrial relations. He has been referring to other matters that are internal party matters and the subject of investigation in Queensland. They are not part of the industrial relations portfolio.

Mr SPEAKER—The matter of whether or not matters are the subject of investigation by a political party has no bearing on the relevance of the question. The Leader of the House was asked about democratic voting systems and democratic accountability within industrial organisations and alternative policies. I call the minister.

Mr REITH—I am sure the irony will not be lost on members of the House that the person who raised the point of order is a former trade union official in Queensland. The front bench of the Labor Party is literally stacked with these people. These are the people who
are the product of the very factional deals which need to be exposed by a transparent system in the trade union movement. When these matters come on, you can be sure that the unions, through the puppets that they have sitting here, will oppose these reforms. It was said by a person from Queensland recently that it was known about, understood and encouraged within some factions of the Labor Party at the highest level. Who was that? It was Karen Ehrmann. I conclude: if it is good enough for Peter Beattie to set a standard, why isn’t it good enough for the Leader of the Opposition, just for once, to stand up to what is clearly criminal behaviour in Queensland and make it clear that he will have no truck with such behaviour?

**Information Technology: Outsourcing**

**Mr MARTYN EVANS** (2.59 p.m.)—My question is to the Minister for Finance and Administration. Minister, has the Auditor-General described the IT outsourcing program for which you are responsible as substantially behind schedule, procedurally flawed and almost three times over its management budget? Does the report also show that your projected savings have not been realised and that tenderers have overstated the savings on offer? Will you now withdraw your proposal to force this counterproductive program on the science agencies such as CSIRO and let their essential research work proceed without the burden of your ideologically driven IT outsourcing program?

**Mr FAHEY**—I thank the honourable member for his question. I can indicate that the government acknowledges the Auditor-General’s report in respect of the initial contracts on information technology outsourcing. There has been a rigorous analysis of the process to date. I can indicate quite clearly that rigorous audit has demonstrated that the program is fundamentally sound, that it has been conducted to the highest standards of probity and integrity and that the government is satisfied that the IT initiative’s stated objectives are being achieved.

I inform the House that those stated objectives are, firstly, to provide savings to the Australian taxpayers in the hundreds of millions of dollars. To date—the program is about 40 per cent along the road—those savings are around $365 million. Another stated objective is to allow Commonwealth agencies to take a strategic approach to the provision of information technology and to ensure that all those arrangements represent value for money for taxpayers. That objective is being met. Another stated objective is that there should be benefits that will flow to Australian small and medium enterprises and the Australian IT&T industry. I can indicate that to date there is some $90 million worth of new strategic investment. There has been some $900 million worth of products and services sourced in Australia. There are around $290 million in new exports and import replacement activities. There is around $400 million worth of work for Australian SMEs and there has been the creation of some 400 jobs in regional Australia.

I noted this morning that the Leader of the Opposition was out there and he started throwing the old words around with gay abandon, as is quite frequent at his early morning doorstops. He spoke about ‘grand incompetence’. Well, I would like to think that I can get the tag of ‘grand incompetence’ when compared to some of the things that the finance minister in the former Labor government did. I wonder what that might be described as?

We talk about $365 million worth of savings for the Australian taxpayers and the former finance minister uses those words. This is the man who, only six weeks before the 1996 election, was asked, ‘Have you got any plans to increase taxes?’ His answer was, ‘Why would we? We’re operating in surplus and our projections are for surpluses for the future.’ Well, we soon found out what he understood ‘surpluses’ to mean—$10.3 billion of deficit was what surpluses meant to the Leader of the Opposition, the former finance minister. If we have a look at the Collins class submarine, $5.1 million was spent and still the meter is ticking over. If $365 million worth of savings in IT outsourcing to date is described as grand incompetence, all I can say is that the fiscal management of the former finance minister can only be described as grand larceny.
Education: Funding for Government Schools

Mr BARTLETT (3.03 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House of Commonwealth government support for capital development in public schools. Is the minister aware of any alternative approaches to schools funding, and what is his response to these?

Dr KEMP—I thank the honourable member for Macquarie for his question. I acknowledge the very great commitment he has to public education and to building up public education in his area. Despite the fact that the states have prime responsibility for running government schools, some states are simply not living up to their responsibilities. In particular, they are not funding adequately the capital of their public school systems.

I have informed the House in the past how the Howard government is pouring money into public education and, indeed, doing so at a far greater rate than any of the state governments. I remind the House that in the last budget the Commonwealth increased funding for government schools in New South Wales by 4.4 per cent compared to a miserly 1.9 per cent increase from the Carr government itself. But when you start to look at the capital account, you come to realise just how serious is the run-down occurring in New South Wales public education as a result of the failures of the Carr government. The extraordinary fact is that it appears that a majority of the money spent on capital development in government schools in New South Wales is Commonwealth funding.

In 1996-97, figures show that the Commonwealth provided 54 per cent of total expenditure on capital works in government schools and later figures show little change to this, perhaps with the Commonwealth commitment moving to just under half of the total. It is interesting that it is another Labor government that is also performing exceedingly badly in this area—the Tasmanian Labor government, where latest figures show an alarming deterioration in the state government commitment to the capital stock in public education in that state. In fact, Tasmania is moving rapidly toward 100 per cent reliance on Commonwealth capital funding. Compare that with the other states, where approximately 75 per cent of the investment in public schooling in all the other states comes from the state governments and from their budgets. But when you get these Labor governments in office, and given the fact that they desperately need money for all their little pet schemes, they have not got enough left to put it into public education. It is in those states that public education is being run down.

When the Labor Party was in Hobart, the Leader of the Opposition had the greatest opportunity imaginable to tell his state colleagues to lift their game in relation to public education. But of course he did not do this because he has absolutely no real interest in education. We recall that when he was minister he told his biographer, ‘I lost a lot of ambition and I stopped straining. I thought there was less capacity to achieve in that portfolio than’—

Mr Beazley—Mr Speaker, I rise on a point of order. My point of order goes to relevance. If it is relevant to continue with this sort of nonsense, surely it is relevant to point out that the Prime Minister refused—

Mr SPEAKER—The Leader of the Opposition will resume his seat. Has the minister concluded his answer?

Dr KEMP—Yes, Mr Speaker.

Employment: Work for the Dole

Ms KERNOT (3.08 p.m.)—My question is to the Minister for Employment Services. Minister, doesn’t your new Work for the Dole evaluation show that only 30 per cent of participants stopped receiving their unemployment benefits as a result of this scheme and that only 24 per cent of all Work for the Dole participants got a job as a result of going on Work for the Dole? Isn’t this a pretty appalling rate when compared with other labour market programs such as Jobstart, which resulted in 59 per cent of participants getting a job?

Mr SPEAKER—The member for Dickson cannot advance an argument. She has to ask a question.
Ms KERNOT—Minister, wouldn’t training improve employment outcomes under Work for the Dole?

Mr ABBOTT—The first point I make is that Work for the Dole is getting employment outcomes close to 30 per cent, and the comparable Working Nation program, new work opportunities, was getting employment outcomes of under 20 per cent, so Work for the Dole is getting a 50 per cent better employment outcome than comparable Working Nation programs. That is the first point I want to make.

The second point I want to make is that what we are not going to do on this side of the House is make the mistake that Labor made when they were in office and that the member for Melbourne appreciates: we are not going to give people inappropriate training for training sake. We are not going to be into that. The final point I want to make is that the member for Dickson has been telling people for the last couple of months that Labor is in favour of Work for the Dole. She keeps saying that Labor is in favour of Work for the Dole. If she is in favour of Work for the Dole, if Labor is in favour of Work for the Dole, prove it by saying something good about this great program.

Murray-Darling Basin

Mr FORREST (3.10 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. What action has the federal government taken in relation to the management of the Murray-Darling Basin’s valuable resources? Would the minister also advise the House of the Commonwealth’s partnership with local communities to manage salinity in the Murray-Darling Basin?

Mr TRUSS—My particular thanks to the member for Mallee for a very important question. It draws attention to two significant documents that were released this week by the Murray-Darling Basin Ministerial Council to address catchment management and salinity issues in the Murray-Darling Basin. Salinity, of course, has the potential to be a real cancer that can eat away at our landscapes, at our land productivity and at our environment. It destroys productive land and certainly threatens water quality and urban infrastructure. It is an important national priority that we address this issue, and particularly in the highly productive Murray-Darling Basin area.

The two documents that were released this week are draft strategies to endeavour to address these sorts of issues. They are open for public comment at the present time. They represent a commitment to seriously address the matter with a defined plan of action to actually lower the salinity levels in this particular region. The governments involved are proposing to commit themselves to ensure that the level of salinity at the measuring point in Morgan in South Australia—an area I am sure well known to you, Mr Speaker—is at 800 parts EC for 95 per cent of the time over the 15-year period of this plan. That is a significantly challenging task. It also includes the setting of targets for each of the valleys in the Murray Darling system so that each region, each community, can be aware of their obligations to ensure that the overall health of the Murray-Darling Basin is maintained.

Unfortunately, in the context of looking at the interdependence of the various communities and the various governments in the effective management of this commission, there are two state Labor governments that are not prepared to make the basic commitment that is essential in this element by securing water rights for land-holders. Unfortunately, the New South Wales and Queensland governments have been unwilling to make this key commitment to ensure that their regional communities can participate in the growth and progress in the Murray-Darling Basin to attract new industries and to develop and create new jobs.

Some of the capacity to be innovative and to develop new industries in the Murray-Darling Basin is particularly evident in the electorate of the member for Mallee. The Sunraysia area has been especially innovative in developing new irrigation techniques and in developing new agricultural processes. I note that the opposition have just appointed a new minister for innovation, but she has indicated that she is not interested in innovation in agriculture. She has discounted its value. I think that is very disappointing.
There are some great success stories in agriculture, many of them in the electorate of the member for Mallee. These new strategies will provide an opportunity to spread those benefits throughout the Murray-Darling Basin system to maintain the health of the water and the environment in the region and to maintain productive agriculture for future generations. This is a vital issue for all Australians, and I am appalled that opposition members show so little concern for this vital part of Australia. This government will work with the communities to develop sustainable management practices in the Murray-Darling Basin area.

Veterans: Self-Funded Retirees Supplementary Bonus

Mr MOSSFIELD (3.14 p.m.)—My question without notice is to the Minister for Veterans’ Affairs. Minister, are you aware that World War II veterans are not eligible for the self-funded retirees supplementary bonus because of the compensation they have received for injuries sustained in the line of duty? Minister, why is it that older Australians who receive just one dollar of a TPI pension for injuries suffered while serving their country are regarded as having received income that disqualifies them from the bonus? Can you explain to these veterans why their war compensation is now expected to stretch to meet the costs of your government’s GST?

Mr BRUCE SCOTT—In relation to the savings bonus for veterans, my understanding from my department is that 95 per cent of veterans have been eligible and have received a savings bonus. In fact, 50 per cent of them have received the maximum bonus and the average bonus that has been received by 95 per cent of veterans is something like $750. The comments I am getting back from the veteran community is that they are very grateful for this bonus. They are also very grateful for the fact that every veteran entitlement was increased by four per cent across the board—not just a service pension or a TPI pension but all pensions across the board—and it has been well received by our veteran community. They are very grateful for the fact that this government cares for our veterans.

Aged Care: Policy

Mr PYNE (3.17 p.m.)—My question is addressed to the Minister for Aged Care. Would the minister inform the House of the progress the government is making in meeting the care needs of older Australians? Is the minister aware of alternative policy approaches in this area?

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne is warned.

Mrs BRONWYN BISHOP—I am delighted to say that this government since coming to office has put in place a whole system of reforms, the most important of which is a system of accreditation and establishing standards which have never existed before for residential aged care facilities to meet. We have required that every facility be accredited by 1 January 2001, otherwise they will lose Commonwealth funding. We have a system of contingency planning in place to ensure continuity of care for those residents where the residential aged care facility may not meet accreditation.

To enable this to take place, we have increased funding by $1.4 billion since coming to office to enable those new standards to go into place. We have increased the number of community aged care places from 4,000 when we came to office to 24,000 now, for the simple reason that we know people want to stay at home for as long as they possibly can. We have increased home and community care funding. This year it is $565 million, an increase of $7.6 million over last year. We have increased the number of places that have been made available because the Auditor-General found when we came to office that the Labor Party had left us 10,000 places short. In this year’s round of over 14,000 and last year’s round, we are putting into place more than 22,000 new places, which in fact will make up for that deficit and provide for growth and dependency. We have put in place policies to provide for respite, because we know that many people staying at home have carers who need support, and we have put in place a much increased program for that. We have increased the funding for people who suffer from dementia and need
residential aged care by a total of 92 per cent since we came into office. These policies are strong and delivering better care in both residential care and the ability to have care at home than has ever been in place before.

I did look to see alternative policies that might be available. In this regard I looked at a debate in the Senate that took place the day before yesterday when Senator Evans, the opposition spokesman, said:

The Labor Party support accreditation and support having high standards ...

This is the same Senator Evans, I might add, who was so concerned about the policy for care for older Australians that he did not even turn up to address their convention on this issue. They had to have a contribution from the dimmer of the Glimmers, who had to pinch-hit for him. He came up to the podium huffing and puffing in being called in at the last minute. Nevertheless, when I did go to their web site to find the document called ALP Platform 2000: Security and Opportunity for Older Australians, I found that they say that they support accreditation, that they recognise that older Australians prefer to stay in their own homes—

Mr Beazley interjecting—

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

Mrs BRONWYN BISHOP—and they have policies to support carers of people who stay home to look after those in need of care. I then went to look at an interview the same Senator Evans gave on ABC radio yesterday. I think it is very important to notice this. Senator Evans, the shadow minister, said:

It’s a good thing that we are getting higher standards. That’s got bipartisan support.

He said:

It’s a good thing we are trying to drive poor providers out who aren’t prepared to meet the new standards.

Then he said:

The Opposition’s more than willing to help make sure that any transition brought about by the accreditation deadline is managed properly without fear and gives certainty to families and to residents.

Mr Beazley—We surrender! It’s terrible!

Mr SPEAKER—The Leader of the Opposition!

Mrs BRONWYN BISHOP—And I would very simply say to the Leader of the Opposition, who thinks that care for older Australians is a matter of great mirth, that the bipartisan support you have stated you will give is one that we look forward to, to ensure that you do not fearmonger in the area of aged care.

Goods and Services Tax: Pensions

Mr SWAN (3.23 p.m.)—My question is addressed to the Minister for Community Services. Minister, can you explain why pensioners and self-funded retirees who have applied for the GST savings bonuses through the Australian Taxation Office cannot even get the application forms to do so? Can you explain why older Australians calling the ATO hotline are being told the forms are out of print and for two months have been assured repeatedly they will be available ‘in 10 or 12 working days’? Minister, will extra application forms be made available to the thousands of older Australians who are missing out or will you be finally admitting that your savings bonus was a strictly limited offer?

Mr ANTHONY—The one thing the coalition government has done is that we have compensated older Australians for any reduction in purchasing power—

Opposition members interjecting—

Mr ANTHONY—which you never did.

The Australian Labor Party never did so in 1993, when it jacked up wholesale sales taxes unrelentingly. As the previous minister said, for the aged savings bonus, over 1.45 million Australians have received a bonus. Seventy per cent of those have received a bonus of over $500 and 55 per cent an age savings bonus of over $1,000. Likewise with the supplementary self-funded retirees bonus, they have an option and most of them will be claiming it at the end when they put in their financial assessments.

Mr Swan—Mr Speaker—

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

Mr Swan—Mr Speaker—
Mr ANTHONY—Now, to answer the question from the member for Lilley, if he would like to sit down.

Mr SPEAKER—No! The minister will come to the question. The minister has the call. I will determine who rises or who is seated in the House.

Mr ANTHONY—Absolutely, Mr Speaker.

Mr SPEAKER—The minister has the call.

Mr ANTHONY—I know the member for Lilley has probably got some other things on his conscience this week, but I would not want to mention that of course.

Mr SPEAKER—The minister will come to the question.

Mr ANTHONY—Regarding the savings bonuses, if they feel as though their assessments are incorrect, they can go to Centrelink.

Mr Swan—Mr Speaker, I rise on a point of order. It is a point on relevance.

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

Mrs Irwin interjecting—

Mr SPEAKER—The member for Fowler is warned!

Mr ANDERSON—The Olympics, the world’s greatest sporting event, begin in Sydney next Friday. They will be followed by the Paralympics, which begin on 18 October. It is of course a great honour for Australia to be hosting both the Olympics and the Paralympics. The federal government has provided significant support for the Sydney 2000 Olympics. In fact, since the time of the games bid, the Commonwealth has provided around $450 million to help stage the Olympic and Paralympic Games. We have also absorbed considerable additional costs relating to the work of the Australian Defence Force during the games, and costs relating to games security and our Tough on Drugs policy.

The government has provided funding to help our athletes ensure that they are prepared as well as possible, including $145 million in direct assistance to athletes competing in Olympic sports—funding over and above ongoing normal funding for sport. We will have this year our biggest ever Olympic team—more than 620 athletes will be representing us at the games. Well over 10,000 athletes from more than 200 countries will be competing, and they have been arriving in increasing numbers in recent weeks. The in-
International athletes will be accompanied by an additional 100,000 estimated visitors to Australia for the Olympic Games. The event provides a great opportunity to promote our country and to generate investment and jobs, particularly in tourism. The eyes of the world will literally be on Australia, with the television broadcast having an estimated worldwide audience of no less than 3.7 billion people. The Australian community has demonstrated its support for the Olympics and, in particular, for our athletes in getting behind the Olympic torch as it is carried across Australia. Truly, sport and the Olympics bring the community together.

Mr Speaker, I hope you will allow me to make one or two final remarks that are not strictly relevant to the question. I am sure that all honourable members will join me in wishing Australia’s Olympic team well.

Honourable members—Hear, hear!

Mr ANDERSON—I have no doubt that all would want to acknowledge and commend the unbelievably dedicated and continual hard work that the Minister for Sport and Tourism has put into the event. I know too that all of us would want to do what is only reasonable at this time, and that is to acknowledge the roles of two members of this place in their previous roles in the New South Wales parliament: the former Premier of New South Wales, the Hon. John Fahey, and a senior member in the former government, the member for Cook, Bruce Baird. Both played instrumental roles in bringing Australians this great privilege—take a bow!—of hosting the Olympic Games.

Finally, I know that we will all be watching the medal count, but I do want to say this: we must remember that it is an honour and a privilege just to participate in the Olympics. The men and women that we are sending to the games will remember the next few weeks for the rest of their lives. They will be forever honoured by the title of Olympian. I know that all members in this place join me in expressing the hope that all Australians truly enjoy the games. On that bipartisan note, Mr Speaker, I ask that further questions be placed on the Notice Paper.

OLYMPIC AND PARALYMPIC GAMES

Mr BEAZLEY (Brand—Leader of the Opposition) (3.32 p.m.)—Mr Speaker, I wonder if you might let me have some indulgence to support the remarks made by the Acting Prime Minister in relation to our athletes and the organisation of the games.

Mr SPEAKER—The Leader of the Opposition may proceed.

Mr BEAZLEY—Can I suggest to the Leader of the House that, while I am speaking, he might like to get together a motion wishing our Olympic and Paralympic athletes well so that we can formally endorse that a bit later on. I join wholeheartedly in the best wishes of the Acting Prime Minister to our athletes. This is the last day of sitting before that great contest occurs. I would also like to place on record my thanks to those who have been responsible for the organisation of the Olympic Games to this point. Of course, the New South Wales government have had to carry the bulk of the burden for the organisation of the games, and they will no doubt be on tenterhooks as they see their work tested by the visitors that are coming from overseas and the technical requirements of the games themselves.

The games will last for 16 days, 10,000 athletes are competing and they will be representing 198 different countries in 28 different sports in venues in Sydney and across the rest of Australia. We would all want to welcome the foreign athletes coming to our shores and wish them all the best in their participation in the games. A worldwide audience of over 3½ billion will be very much focused on Australia at that time, and that should do our nation the world of good, because I believe these games are going to be very successful indeed.

We know that all our athletes are champions. They have spent years of their lives training for this event, and we are all very much with them in the countdown to their various individual events. But it is not just about their winning medals; the Olympics is much more about their representing a country and doing the very best that they can, and for this we will honour them all. It is invidious to single out individuals for special mention
among the host of athletes, coaches, administrators, sports scientists, families and volunteers, but I do want to send my own special good wishes to Cathy Freeman and Nova Peris-Kneebone—great Australian athletes. I also want to send my best to Kieren Perkins—a truly outstanding swimmer, along with all of our swimming team, including Ian Thorpe, Michael Klim, Susie O’Neill and all the others. I know that we will all be supporting our women’s and men’s hockey teams. I think we in the Labor Party are entitled to a small additional place in our hearts for the success of the women’s hockey team, which is being coached by a former member of this parliament, Ric Charlesworth. I also want to send particular good wishes to Steve Moneghetti, who is running again in the marathon, and to those great runners Matt Shirvington and Patrick Johnson. But they are first class in all events, from equestrian to rowing, from boxing to track and field, and we also send our support to those who are less well known at this moment with the wish that they will soon be household names.

Of equal importance are the Paralympics, taking place soon after the summer Olympic Games, from 18 to 29 October, with some 4,000 taking part in that in Sydney. These are truly inspiring people, and our good wishes go out to Louise Sauvage and her valiant team-mates. We also send good wishes to those who did not make it this time. They missed out through bad luck, and there are a number of disappointed Australian athletes who have just missed the cut in the various contests which have taken place. We feel for them, and there will be other opportunities at subsequent Olympics. It is a great honour for this country to be hosting the Olympics for a second time. We know that all Australians will get behind the team. Our thoughts will be with our athletes, and we know that they will do us proud.

QUESTIONS TO MR SPEAKER
Minister for Health and Aged Care: Parliamentary Library

Ms MACKLIN (3.36 p.m.)—Mr Speaker, I want to raise with you a concern that the Minister for Health and Aged Care has interfered with the independent operation of the Parliamentary Library. My officer tried to check the nature of the appointment of Mr Bunting as chair or acting chair of the Health Insurance Commission, as a replacement for Dr Barry Catchlove, who resigned last year in the midst of the MRI scan scam. The Parliamentary Library advised that this information was contained in the government Gazette.

Mr Reith—I rise on a point of order, Mr Speaker.

Mr Snowdon—This is a question to the Speaker. Sit down!

Mr Reith—I am entitled to make a point of order and I am making one.

Mr Speaker—The chair is not being facilitated by the member for the Northern Territory, who has already been warned, or by other members on my left.

Mr Reith—Mr Speaker, my point of order is that, if people want to make all sorts of allegations, there are proper forms of the House. Under the standing orders, people are not entitled to make accusations in the guise of a question. If she has accusations, she should put them in writing.

Mr O’Keefe—Mr Speaker, on a point of order: it has been your consistent practice when members of this side raise points of order to require the standing order under which they are made to be stated. There was no standing order covering the point of order made then by the Leader of the House.

Mr Speaker—I wish the member for Burke were right. The member for Jagajaga indicated that she had a question to me. If she has a question about Library policy, as Chairman of the Library Committee I will take it up. It would be helpful if she were to come to her question and, if she has detailed concerns, to submit them to me in addition to the question.

Ms MACKLIN—Thank you, Mr Speaker. I want to make sure that you—

Mr Tuckey—No, you just want to malign somebody!

Mr Speaker—The Minister for Forestry and Conservation is warned! The member for Jagajaga indicated that she had a question to me. If she has a question about Library policy, as Chairman of the Library Committee I will take it up. It would be helpful if she were to come to her question and, if she has detailed concerns, to submit them to me in addition to the question.
Ms MACKLIN—I want to refer a very serious matter to you. The Parliamentary Library advised me that this information was contained in the government Gazette, but it would be time consuming to locate it without asking the Health Insurance Commission or the department for advice on when the appointment had been made as there was no press release. The HIC said that they were unable to help and the department advised that they could not provide this information to the Library without the approval of the minister. As this is publicly available information, I would like to refer this question to you because it is another clear case—and I know that you are generally aware of this issue—of the minister trying to restrict the Library’s access to otherwise publicly available information.

Mr Reith—On a point of order, Mr Speaker: this member is clearly flouting the standing orders.

Mr Adams interjecting—

Mr SPEAKER—The member for Lyons is warned! As an occupier of this chair, the member for Lyons must know more about parliamentary courtesy than he is currently exhibiting. The Leader of the House has the call.

Mr Reith—My point of order is that there is no standing order which allows a member to make allegations against another member unless by proper forms of the House. Of course, any member has the right to move that a member be not further heard, but the fact is that this is an abuse of the conduct of the House where people are entitled to ask the Speaker a question and it should not be used for any other purpose.

Mr SPEAKER—The member for Jagajaga was outlining to me concerns that she had. In fact, I have already asked her to compress her concerns and to bring other details to me separately. I am presuming that she is bringing her concerns to a conclusion.

Ms MACKLIN—Thank you, Mr Speaker. My question to you is: will you investigate this situation to make sure that the Parliamentary Library can do its job without the interference of the Minister for Health and Aged Care?

Mr SPEAKER—The member for Jagajaga, having been protected by the chair, just did the very thing that ought not to have been done, given the protection that had been extended to her.

PERSONAL EXPLANATIONS

Mr BEAZLEY (Brand—Leader of the Opposition) (3.42 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr BEAZLEY—I do indeed.

Mr SPEAKER—The Leader of the Opposition may proceed.

Mr BEAZLEY—During question time I was misrepresented by the Minister for Employment, Workplace Relations and Small Business, who stated that I had not in any way, shape or form called for or supported an appropriate investigation of the matters raised by the Criminal Justice Commission in Queensland. In fact, this morning I supported specifically the comments of the Premier of Queensland, to which he drew attention during his remarks, explicitly on the doorstep, and gave complete support to his call and undertaking that all information would be made available to the CJC. He also referred to my describing the Senate inquiry into this matter as ‘a stunt’. I presume he was referring to remarks that I made in Townsville. Those remarks were directed at accusations made against the Labor candidate for Townsville which were dismissed ignominiously by the CJC but formed the basis of the stunt.

QUESTIONS TO MR SPEAKER

Parliamentary Delegations: Children

Mrs IRWIN (3.43 p.m.)—Mr Speaker, is it correct that you have issued a directive that children should not accompany members of parliament on official parliamentary delegations?

Mr SPEAKER—I will respond to the member for Fowler from memory and, if I am inaccurate, return to the House to correct the record. I am not aware of having made
any directive as the occupier of the Speaker’s office. I believe it was a directive made by predecessors of mine.

Mr Martin interjecting—

Mr SPEAKER—I have been given a certain reassurance that I may in fact have been accurate with that summary answer. I will come back to the member for Fowler if I am in error.

DAYS AND HOURS OF MEETING

Mr McMULLAN (Fraser—Manager of Opposition Business) (3.44 p.m.)—Mr Speaker, I wonder whether I might raise with the Leader of the House, through you, and on behalf of all our members—I suspect on behalf of all government members too—if he can give us some sort of brief of his understanding of the timetable with regard to proceedings this evening.

Mr REITH (Flinders—Leader of the House) (3.44 p.m.)—The advice that I received just as we were coming into question time was that the Senate will return to the relevant legislation at 3.45 p.m., and that currently there are six amendments to be dealt with in the Senate. However, that is not to suggest that there will not be any further amendments moved as the debate proceeds. We are hopeful that things will be dealt with expeditiously in the Senate, but we are not in a position to advise you any more than that. In the past, the list has sometimes collapsed in the Senate late in the afternoon as people start to think of domestic matters, but at this stage we are not in a position to know. I think the Senate is intending to have a dinner break between 6.30 p.m. and 7.30 p.m., and I presume that the whips will confer. If that becomes the case, we would probably do the same. I do not think we should have an extended period in case the Senate comes back and deals with things in 15 minutes, in which case we would want to be sitting to finish it off.

I have also been advised that the member for Calwell and the member for Calare, whilst they did not for one reason or another speak in the debate on the matter originally, now wish to make a contribution and move some amendments. I have spoken to one of them and pointed out that it would be of assistance to everybody if they were, shall we say, constrained in any contribution they wanted to make. I do not want to prevent them obviously—that would only take more time with divisions—but I am waiting to hear exactly what they want to do. I was told that there might be a couple of amendments, and that they might want to speak to them. We will just have to wait to hear what they say.

Mr Leo McLeay—Gag them!

Mr REITH—Only you could give such advice, Leo. We will keep members advised as best we know. Hopefully the Senate will start on things at 3.45 p.m. and hopefully they will move quickly. I could say that the Labor Party could use its numbers with a guillotine, but it does not care to do so.

QUESTIONS TO MR SPEAKER

Question on Notice

Mr DANBY (3.47 p.m.)—Mr Speaker, I have a question about a response to question No. 1599 in yesterday’s Hansard by the Special Minister of State, in which the question appears to have been changed. On 31 May I placed on the Notice Paper question No. 1599 to the Prime Minister about unsolicited colour posters of the Queen, sent to my office after the republic debate. On 16 August 2000, I asked you to pursue the tardy answer to this question under section 150. I thank you very much for doing so. But that very morning, the Prime Minister’s department arbitrarily changed my question from being one addressed to the Prime Minister’s department to one addressed to the Special Minister of State. Therefore, in yesterday’s Hansard an answer appears as being to a question dated 17 August, when in fact it was asked on 31 May, and it was addressed to a minister to whom I did not address it. Mr Speaker, in case this is another example of the executive involving themselves in the prerogative of members, I ask you to investigate this series of events. I ask you to see whether my question can be answered. All of the points that subsequently appeared were not answered.

Mr SPEAKER—I will respond to the member for Melbourne Ports after I have looked at his question. I will take up the matter as the standing orders allow.
Minister for Health and Aged Care:
Parliamentary Library

Mr SPEAKER (3.49 p.m.)—I was also asked a question by the member for Jagajaga, to which I did not respond. I indicate to her that, as she has alluded, there have been a number of issues concerning the library and ministers. I am about to make a statement on that, following a question from the member for Grayndler. It is of a great deal of concern to me that the integrity of the library, for which it is well renowned, is being damaged by unfounded allegations. I will take up the matters raised by the member for Jagajaga—just as, I am about to indicate, matters for the member for Grayndler are to be taken up—and follow them through as and if appropriate.

Parliamentary Library

Mr SPEAKER (3.50 p.m.)—The House will recall that on 28 August 2000 the member for Grayndler asked me whether the requirements of the Minister for Community Services—that is, that requests for information from the Parliamentary Library be handled through his office—had been duplicated by any other minister. On the following day, the member for Grayndler asked me how many requests had been made by the Parliamentary Library in 1999-2000 to each of the five named agencies. With respect to the first question, I sought advice from the Parliamentary Library and was advised that there were three instances reported by library staff which may have been relevant to the member for Grayndler’s question. I then sought clarification from the appropriate ministers, and I now outline the circumstances for the House.

The first report involved the Australian Competition and Consumer Commission. A staff member of the Parliamentary Library reported being told by an ACCC employee that the Treasurer had directed that the ACCC was not to answer questions from the Parliamentary Library and that the library was to forward its requests to the Treasurer’s office. The Treasurer has confirmed to me that, at no stage, has he or any member of his staff instructed the ACCC not to answer questions from the Parliamentary Library. The ACCC has confirmed to his office that at no stage has it received such an instruction.

In the second instance, a staff member of the Parliamentary Library reported being told by an employee of Airservices Australia that the Minister for Transport and Regional Services had directed that the agency not answer questions from the Parliamentary Library but advised members concerned to place their questions on the Notice Paper. The minister has advised me that he has not issued any formal directions in this regard. He has advised me of one instance involving Airservices Australia and the Civil Aviation Safety Authority when his office advised that one question seeking detailed information about the remuneration, travel and other expenses of the two agencies should be placed on the Notice Paper as had been the case in the past for similar questions.

The third report involved the Australian Geological Survey Organisation. The Parliamentary Library reported being advised that a staff email was recently circulated in AGSO advising that requests for information from members and senators should be referred to management. The Minister for Industry, Science and Resources has been advised by his department that the relevant email to staff referred specifically to MPs or senators, including other ministers, but made no reference to the Parliamentary Library or to the research activities of staff.

In response to the second question from the member for Grayndler, I advise the House that the Parliamentary Library does not keep statistics of the number of times it makes inquiries to government departments and agencies. As members would appreciate, the library records the tasks it is asked to do by members, senators and parliamentary committees. The various actions taken to complete those tasks are not individually recorded. Rather, the progress of each request is monitored and its completion recorded. Finally, I advise the House that the original issue was discussed by the Joint Library Committee at its meeting earlier today. The President of the Senate and I will be following this matter through as a result of today’s meeting.

Mr ALBANESE (Grayndler) (3.53 p.m.)—Mr Speaker, on indulgence, I ask whether you would table that advice so that
we can have an opportunity to examine it and determine a position on it.

Mr SPEAKER—The member for Grayndler will be aware that the entire advice just given by me will be recorded in *Hansard* and will be available to everybody.

Mr ALBANESE—Could we perhaps get a copy of the advice now rather than later on?

Mr Downer—You can get it in *Hansard*.

Mr ALBANESE—Yes, but after the Olympics.

Mr SPEAKER—If the member for Grayndler has a particular concern he wants to address to the chair he might care to do so and I will recognise him. I will not have him engage in cross-chamber conversation, nor will I have other people provoke him.

Mr ALBANESE—Mr Speaker, I want to thank you for the detailed response you have given us. I would like to get a copy of it because, as you are aware, this is the last sitting day before we get up. We will not be back for three weeks and it may well be that we wish to respond in that time.

Mr SPEAKER—The member for Grayndler has asked me a question. I will ensure that he has a copy of the statement I have just made to the House. Any other members wanting a copy of the statement can access it through my office. I trust, however, that, in the interests of the library, as a result of the conversations between the President and I, the matter will be satisfactorily resolved for all.

**AUDITOR-GENERAL’S REPORTS**

Report No. 8 of 2000-01

Mr SPEAKER—I present the Auditor-General’s audit report No. 8 of 2000-01 entitled *Performance Audit—Amphibious Transport Ship Project—Department of Defence*.

Ordered that the report be printed.

**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*.

I present papers on the following subjects, being petitions which are not in accordance with the standing and sessional orders of the House:

- Calls on the Federal Government to demand the upholding of Fiji’s 1997 Constitution and the re-instatement of Mr Chaudhary’s government in Fiji—from the member for Melbourne Ports—743 petitioners

**DAYS AND HOURS OF MEETING**

Motion (by Mr Reith) agreed to:

That the House, at its rising, adjourn until Tuesday, 3 October 2000, at 2 p.m. unless the Speaker, or in the event of the Speaker being unavailable the Deputy Speaker, fixes an alternative day or hour of meeting.

**LEAVE OF ABSENCE**

Motion (by Mr Reith) agreed to:

That leave of absence be given to every member of the House of Representatives from the determination of this sitting of the House to the date of its next sitting.

**MINISTERIAL STATEMENTS**

Job Network: Service Performance

Mr ABBOTT (Warringah—Minister for Employment Services) (3.57 pm)—by leave—When the Howard government established Job Network on 1 May 1998, it replaced a bureaucracy with a market. This was no implementation of textbook theory but an expression of the government’s faith in the ability of organisations such as the Salvation Army, Mission Australia, Centacare, Employment National, IPA, CHR, Work Directions and many other community based and private sector bodies to deliver better services to job seekers at better value to taxpayers than an overstressed bureaucracy whose time had passed. There were, of course, many good people in the old CES—and the Job Network has enabled them to put their skill and commitment to better use outside the shackles of a work-to-rule mindset and a system which rewarded process over performance.

The government’s commitment was an act of faith based on reason. The government’s confidence in Job Network members’ abilities was based on their previous records providing welfare, educational, training or employment services—and I have to say that their performance has magnificently vindi-
The government has recently conceded that, although Labor would keep the Job Network, its performance is 20 per cent worse than the previous system. How she can insist that the Job Network is underperforming the old CES while claiming to back it, is a mystery.

In fact, the Job Network has outperformed the old CES by close to 50 per cent at putting unemployed people into work and by nearly 100 per cent at putting job vacancies on the Australian Job Search database. What is more, Job Network programs have consistently outperformed Working Nation programs at putting harder-to-help job seekers back to work. Job Search Training has been 50 per cent more effective than job clubs, at under half the cost. Intensive Assistance has been nearly 20 per cent more effective than the full suite of Working Nation programs at scarcely half the cost. The member for Dickson says that the government has ‘cooked the books’ to inflate the Job Network’s performance. As the government pointed out two years ago, the CES counted very short-term jobs, such as an hour unloading trucks at the markets, and placements into labour market programs as ‘outcomes’. In addition, because payments did not depend on them, CES data was inherently soft. People with experience of the CES recall practices that meant that the current discount factor routinely applied to CES data actually overstated the old system’s performance. For instance, in the early 1990s, one CES office had 3,500 job seekers registered with the same name, address and date of birth. Another office regularly recorded 1,000 referrals and placements to the town’s largest employer in order to increase its monthly performance statistics. An office with four staff created so many phoney referrals and registrations that the staffing formula indicated 35 staff should have been required to run the office.

The government is confident that the Job Network can withstand the most rigorous scrutiny. When the Job Network was launched, the government announced an ongoing evaluation process: an implementation evaluation report—released in May this year; a report on further progress—to be completed by the end of the year; an independent review—currently planned for next year; and a full evaluation—scheduled for end-2001. As well, the government released ‘first birthday’ performance data and individual Job Network member performance data in December last year. By contrast, three months after the commencement of the Working Nation program, the former Labor government stopped publication of The Job Report, which had previously provided quarterly performance data on employment programs.

Today I am announcing that the OECD has agreed to conduct, commencing next month, a full study of the Job Network and Australia’s other employment service and labour market arrangements. I am releasing the terms of reference and making available on my department’s web site the background paper provided to the OECD inquiry. Further, now that the market has started to mature and longer-term programs can better be evaluated, I am releasing comprehensive data on the performance of employment services generally over the past 12 months. In future, the government will release this data in this format every quarter. These measures should further boost public confidence in the Job Network and dispel any unjustified suspicion that the government might be seeking to avoid scrutiny. As more data becomes available, the opposition will have no excuses for cheap shots at decent organisations trying to do their best by Australia’s job seekers. If the opposition think the system can be improved, they should say precisely how this could be done. If they think Employment National should have a guaranteed place, they should say how this would impact on future tender rounds. If they have concerns about the role of religious Job Network members, they should say precisely what these are and how they might be addressed. The opposition owe it to the hundreds of organisations that have invested millions of dollars in delivering these services and to the thousands of dedicated people working in the Job Network to commit themselves unequivocally and unambiguously to the system or to say clearly where things must change.
Job Network is not only a better way of delivering employment services but also a new way of conceptualising employment services. It is a paradigm shift from standard private and public sector approaches. Because Job Network members are largely paid on performance it does not rely on altruism. Because it involves a mix of private sector, charitable and community based agencies, it does not just run on the ‘bottom line’ either. The government did not stop delivering employment services when it closed the CES; it just stopped delivering them through an arm of the central bureaucracy. Even so, contracting out the provision of employment services is not the same as contracting out, say, the provision of property or IT services. These are not services to government but are actual government services and their providers are not simply suppliers to government but are the government’s partners and allies in delivering services on the government’s behalf.

The employment service market is not like the market for cleaning services or legal services, in which the government might decide to purchase services rather than provide them to itself. The Job Network is a market that the government has substantially created to deliver services which could not otherwise be delivered by market means. It is a social market because the government summoned the market into being and because the government largely pays for the services being delivered. Job Network members are social businesses because they can make a profit only by providing services with outcomes ordained by government, and they generate social capital because the market’s end result is happier, more fulfilled individuals living in stronger, more dynamic communities. It is a moral market in which the ultimate purchaser/consumer is a government with the fundamental objective of moving people from welfare into work.

While others have talked about a ‘third way’, the Howard government has created new structures to empower community organisations rather than central bureaucracy and to turn service recipients into active citizens. As Noel Pearson has repeatedly pointed out, ‘passive welfare is the kindness which kills’. By funding a range of community organisations on a strict performance basis government becomes an enabler rather than a director. As far as this government is concerned, what matters is getting people into work, and how Job Network members bring this about is almost entirely up to them. The government is a virtual silent partner in the Job Network, staking capital and reviewing performance but otherwise leaving community agencies alone to run themselves. Hence, over time, the Job Network can become a vehicle for developing social entrepreneurs—leaders whose focus is renewing the threads of kinship and common purpose which constitute the social fabric of a diverse democracy. The government’s aim is to work constantly with job seekers, preferably to put them back to work but, in any event, to give them something useful to do. It should be impossible to go on the dole and disappear into the system to emerge years later as part of the problem of long-term welfare dependency. We know from repeated disappointments in the past that government officials on their own cannot achieve these objectives.

Like all good policy, the Job Network is a work in progress, subject to continual refinement as new challenges and opportunities emerge. The government does not claim that the Job Network is flawless or that it always works perfectly in practice, but we do claim that it is a big improvement on previous schemes. The government is confident that the OECD study will confirm that the Job Network is among the best of current world practice in the delivery of employment services. I conclude by presenting the following papers:

Job Matching—Job Network out-performs the CES.
Getting the facts—Media release by the Minister for Employment Services, 7 September 2000.
Ms KERNOT (Dickson) (4.08 p.m.)—by leave—Labor welcomes this statement; but, when you analyse it, it takes 10 minutes of rhetoric and the usual baseless attack on the opposition to make two essential points. Those two essential points are contained in just one paragraph of the minister’s statement. The first point is the OECD—isn’t that one of those awful overseas bodies, Minister?

Mr DEPUTY SPEAKER (Mr Nehl)—You will address your remarks through the chair.

Ms KERNOT—Sorry. Mr Deputy Speaker, I refer the minister to the government’s attitude to the monitoring of its own processes by any overseas body. I simply point that out to the minister. The minister says that the OECD has agreed to conduct a full study of the Job Network and Australia’s other employment services and labour market arrangements, that the government is releasing performance data for employment services over the past 12 months and that this data will now be released every quarter. The minister says that the rationale for this is to boost public confidence in the Job Network and to dispel unjustifiable suspicion that the government might be seeking to avoid scrutiny. Methinks the minister doth protest far too much. After all, it is this minister who is constantly providing the parliament with departmental run surveys, supposedly attesting to public confidence in the Job Network.

It is just recently that both ACOSS and the Labor Party are on record as saying that there is woefully inadequate scrutiny of the Job Network to date. I have recently announced that I would be introducing a private member’s bill setting up an independent monitoring authority. I do not, immodestly, suggest that this has prompted the minister to take some action but we do know from emerging evidence, particularly released this week, on the IT outsourcing fiasco and others, that where government services are privatised, where they are contracted out, there always need to be very careful safeguards in place. I have said many times that Labor will be keeping the Job Network because we have a responsible attitude to those who have valid contracts in place till the year 2003. We are not going to put at risk the work and the money that they have invested. We have said that many times. But that does not mean that we should not have a role to play in pointing out the defects in the system.

In continued pursuit of his ‘my system is better than your system’ mentality which characterises so many of the minister’s statements, the minister insists on reasserting that the Job Network is outperforming the old CES by 50 per cent. If I do not answer this, the minister will go away from this chamber and again reassert what I believe to be quite dodgy analysis. So I will say yet again that this is misleading, that this figure is based on the CES after the new coalition government had started to cut back its staff and wind down its operations. If you look at the performance and you discount it to take into account the differing measurements of what constituted a job—how that was measured—and if you produce a like-for-like comparison, then the Job Network is in fact only performing at three-quarters the rate of the CES when it was operating at its normal capacity. But the first point is, however, that the Howard government has been running employment services for 4½ years. So what is appropriate to discuss now is how the Job Network—which is a radical experiment—operates, where it has deficiencies and how those deficiencies can be remedied. Secondly, one of the strengths of the Job Network is that it is staffed at management levels by many of the very good and experienced people who ran the CES, who ran Skillshare and who ran Employment National. They have taken their corporate memory and their corporate skills with them.

One of the problems specifically raised by the minister in his statement was data problems. I argue that this is not something peculiar to the CES. I recently held a forum in South Australia for a number of major Job Network providers. I was told at this forum, as I have been told at many previous forums, that a major deficiency in the current operation of the Job Network was that Centrelink fails to update data about the status of clients referred to job matching. Providers tell me that they often get between 40 per cent and 80 per cent of inappropriate referrals. These
are people who have already moved or they have already got a job or they should have been referred to another type of program, such as intensive assistance or community support. Job providers are very sensitive to the fact that Centrelink is underresourced. They do not wish to be overly critical, but the fact of the matter is that, when the system goes wrong at step 1 and people are inappropriately referred, that actually impacts on the whole Job Network system, and when you add to that the fact that it costs $500 to have somebody who has been referred reclassified, then that does have an impact on the running of the network by the providers. I think that is a legitimate criticism to make. While the minister can give me heaps of anecdotal evidence from the past, I could match you and raise you one, Minister, if that is the way you want to do it with current anecdotal examples. The point is: why don’t we just make the system work better rather than engage in this contest?

The minister also lists new planned evaluations. The fact is that what the minister is talking about, with the exception of the planned OECD evaluation, is more evaluations done by his department. This is the same department that helped to design and implement the system and the same department that is still sitting in judgment of that system. This is the same department that has been asked to provide the minister with the dodgy statistics that he keeps using on the performance of the network compared with the CES. It is no wonder the minister says he wants to improve public confidence in scrutiny of the network. But I would put to him that public scrutiny is not just about doing the studies; it is about independent monitoring and scrutiny. I sincerely hope that the OECD will talk to the job seekers who use the system as well as the employers and the job providers. If the OECD were to speak to me I would tell them that the Job Network is a radical experiment. It is worth $1 billion a year and it should have had independent monitoring from the very beginning.

Minister Abbott also implies that the opposition has been making cheap shots at decent organisations. I reject that implication. Labor has not been doing that. We have raised, and we will continue to raise, legitimate concerns about the defects of the system. This is a fundamental part of the democratic process. But what we have always done is make a distinction between the design of the Job Network, which is the government’s design, and those who are implementing that design. We have said that many of the providers do great work. Our gripe is not with them. Our problem is with the design flaws that the government has built in, deliberately or otherwise. It is a work in progress. The minister said so himself.

So with respect to the charitable sector we have made justifiable comments about Job Network providers being careful of unwittingly becoming third party endorsers. They did not design the system. They are doing their best to implement it. The system has some deficiencies. Minister Abbott said that he believes that the opposition should commit itself unambiguously to the Job Network. Just yesterday the minister was telling us we were going to abolish Work for the Dole and the Job Network. Now he says: ‘If you are going to keep it, tell us exactly how you are going to improve it.’ The minister knows, as do the providers we have spoken to, that we have a lot of constructive ideas. We have put them on the record. We have said, for example, that one of Job Network’s strengths is the diversity that it offers. Many job seekers tell us that in that diversity they can usually find someone with whom they have rapport. But we have also said that it is unacceptable that in round 1 of the Job Network only 50 per cent of the long-term unemployed received intensive assistance. This was a design of the system. This was a 50 per cent contracted capacity. That is an element of design. By way of contrast, under Labor’s system all of those who had been unemployed over 18 months had access.

Mr Abbott—That is wrong.

Ms KERNOT—No, that is not wrong, Minister. They received help. That is 100 per cent compared with 50 per cent. So what should be the purpose of employment services? It should be to improve the employability prospects of those job seekers who need intensive assistance, not just half of them.
Finally, Minister Abbott trumpets what he calls the ‘paradigm shift’ that the Job Network represents. This is an overstated position. Labor pioneered case management for the long-term unemployed through community organisations back in 1994. Labor believes that the use of contract case management is effective, especially when backed up with training and work placement. As we can see from the evaluation of the Job Network so far, its performance is less effective when this training does not occur.

So Labor does not have an ideological problem with government partnerships with private and non-government organisations. But it does have a problem when a government requires these external agencies through their contracts with it to make breach recommendations that result in the loss of income for job seekers, especially when this government has a quota in place on this practice. Labor agrees with the McClure report when it says that financial penalties— and that is what this government relies on as a centrepiece of its welfare-to-work policy— should be sanctions of the last resort.

The minister also talks about ‘a moral market’. I simply ask: where is the moral market where breaches are made to fill a quota, often with little or no investigation of the individual circumstances concerned? Labor also supports the policy principle of governments providing an enabling hand, providing capital, reviewing performance. We are all aware of the work of social entrepreneurs done in Britain and elsewhere. I believe they play an important role in the regeneration of communities, but I think it is still a little too narrow to suggest that the Job Network is the most important vehicle for delivering this. There are many other examples of dynamic partnerships achieving community regeneration. There are many dynamic partnerships between schools and churches and health organisations, for example, or between state governments and local governments in a public-public partnership. Where we agree, Minister, is that everyone who can work should do so. But to take up many of the jobs that are still available requires training. The real partnerships are between governments and the unemployed and employers to get people into work. Labor would also like to see the Job Network used as a vehicle for social entrepreneurs. We have already identified that as a possible future option. But it is hard to see how the current Job Network can become such a vehicle when it is focused largely on a private business model.

Turning to the terms of reference, I notice that in the last term of reference the minister has had two bob each way. He says that the OECD will examine the evidence available on the operations and performance of the Job Network. I wonder if this is all the massive available evidence compiled by the department or if there is something else besides that. He goes on to say at the very end:

... noting that at the time that the OECD review will be conducted it may still be too early to draw any firm conclusions about the long-term performance and effectiveness of the new arrangements.

So there is the minister’s out. We are going to have this review but at the end of it we should always note that it is based on evidence available from his department and that with the opt-out clause it may be still too early to draw any firm conclusions. That is the insurance policy in case the OECD does not actually end up in glorified praise of the Job Network.

In conclusion, Labor does understand, with respect to service delivery, that an entirely different relationship between government and non-government organisations and citizens is evolving. We understand that. We have discussed that before. We intend to play a constructive role in government in that new partnership. But for Labor, being an enabling government also means being one that does not abdicate its administrative responsibilities and its requirements for transparency and accountability. For us, it is not about just value for taxpayers’ money: it is about accountability for taxpayers’ money and accountability to job seekers and their various needs.

COMMITTEES
Publications Committee
Report

Mr LIEBERMAN (Indi) (4.24 p.m.)—I present the 19th report from the Publications
Committee sitting in conference with the Publications Committee of the Senate.

Report—by leave—agreed to.

MATTERS OF PUBLIC IMPORTANCE

Older Australians: Living Standards

Mr DEPUTY SPEAKER (Mr Nehl)—Mr Speaker has received a letter from the honourable member for Lilley proposing that a definite matter of public importance be submitted to the House for discussion, namely:

The failure of the government to adequately protect the living standards of older Australians.

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 SWAN (Lilley) (4.24 p.m.)—Only a few short years ago we had a bipartisan agreement in this country that our elderly deserved dignity, security and support in their old age. People who had worked all their lives believed that retirement would be a reward for making the country great and that, in return, the country would respond with policies that provided them with the security they craved. Unfortunately, this has been fractured. Starting with the introduction of the new nursing home policies over four years ago, the withdrawal of funding from nursing homes, the withdrawal of funding from public hospitals, the huge cuts that have taken place to the dental program, right through to the outrageous breach of faith that we have seen in the GST compensation package, the Howard government has fractured and dishonoured that service, that tradition, that fundamental Australian belief. Many now believe that this parliament no longer honours their life work. That is how they feel. They feel they have been deserted by their parliament. Far too many now believe that retirement is turning into a nightmare, not a reward. Far too many people believe that their living standards are declining, that rising prices, shortages of nursing home beds and completely inadequate public services are ripping away at that essential security that they crave.

No issue more demonstrates that breach of faith than the government’s handling of the aged pensioners and self-funded retirees bonus. During the last election campaign, the Prime Minister went round the length and breadth of this country saying that everyone over 60 would have $1,000. We need to remind people of what the Prime Minister said because he has denied in this House that he said it. Very clearly, right through the campaign, he implied that everybody would be getting $1,000. On radio 6PR in Perth on 25 August 1998 he said:

You get a $1000 savings bonus for all people over the age of 60.

At the Carseldine Retirement Village in Brisbane on 18 August 1998 he said:

... for every person 60 and over there will be a savings bonus—a one-off tax free payment of $1000 in relation to any investment income that you might have ...

On *A Current Affair* on 13 August he said:

... because you have investment income, you’ll get access to the savings bonus which is $1000 for everybody 60 years and over ...

Was this a core promise? Yes, it was a core promise. The fundamental thing about all of those promises was that there were no ifs and no buts. But the crime continued. It was not only before the election campaign that the Prime Minister created this impression: it also occurred after the election campaign. In a booklet distributed in September 1999 entitled *The new tax system—here is what you need to know*, which went to every home in this country, it was stated that there would be:

... a new aged savings bonus of up to $1000 and a Self-Funded Retirees Supplementary Bonus of up to $2000 ...

Before the election campaign he was absolutely emphatic. After the election campaign, right through to last September, there was no mention of any of these conditions.

Mr Anthony—Have you read the fine print?

Mr SWAN—Yes, Minister, there was plenty of fine print, but it only came after September. It was hidden. The citizens who should have been eligible for this bonus are up in arms. They have rung our offices and
have written literally tens of thousands of letters about this issue. I would like to read briefly from one letter written by Mr Frank Griffiths to Dr David Kemp. I quote:

I have written your Kemp Report which states “A remarkably smooth start to the new tax system”

I have a few problems with your statement. Smooth for whom?

I have recently retired, am now 61 years old, and am living off:

A small amount of ... income ...

And so on. The letter continues:

I believed in the government’s promises articulated by John Howard and voted Liberal at the last election.

Key promises were:

$1,000 bonus for everyone over 60.

That is what all of these people believed—that they would all be entitled to the bonus. In his letter Mr Griffiths says:

What are the results?

I can’t get the bonus ...

Taxes on petrol have risen ...

Prices have risen in many/most cases by the full 10%.

He concludes:

I would like to make two points:

The first is the actual impact to me in financial terms. Any cost increases are not nice and I don’t seem to have any alternative but to tighten the belt a bit further.

Like all of the elderly in this country he has been whacked by the combination of price rises and inadequate compensation. He goes on to say:

The second and more important point is credibility of the Prime Minister and the Liberal Party. Up to now I trusted John Howard to speak the truth when he made definite statements on behalf of the government. I now know that he does not speak the truth and can therefore not trust his word in the future. As he represents the Liberal Party and has not been corrected by the Party I must assume that I cannot trust the Party either.

That was Mr Griffiths to Dr Kemp. There have been literally thousands of these letters written to members of parliament and to newspapers all around the country. Unlike the answer given at question time today by the Minister for Veterans’ Affairs and the numerous inaccurate answers given by the Minister for Community Services, the truth is that Mr Griffiths is not alone. Nothing could better demonstrate just how out of touch this government is with the needs of older people in this country than the fact that it appears to be completely unaware that tens of thousands of people have been duded by this sham bonus.

I would like to provide some facts and figures. The government’s own figures show that 43 per cent of people in the eligible age group get a dollar or less; just 1.75 million of them will receive a dollar or more in compensation; and that leaves more than 1.3 million older Australians with less than a dollar in compensation. When many people applied for this bonus they were told by Centrelink on the instructions of this minister, the Minister for Community Services, that Centrelink would make it easy to claim and they would not have to provide any personal or income details to make their claim. Many people who were entitled to the bonus have not received it because they were incorrectly assessed by Centrelink. When we continually raised this matter in the parliament and around the country and put pressure on Centrelink to reassess them, this minister said that they should go to the expense of putting in an application to the tax office. What did we find out in question time today? The tax office has run out of forms. How incompetent! How negligent can you get! But we did raise the pressure on government so that eventually they were forced to instruct Centrelink to reassess many of these people. The only thing was that they did not want to tell anyone that Centrelink was going to reassess these people. The only thing was that they did not want to tell anyone that Centrelink was going to reassess these people. They have got millions of dollars to spend on partisan political advertising around this country, but when people out there may be eligible for a bonus they won’t spend a cent on telling them how they can go to Centrelink and get the correct amount.

What does all this mean? The issue of the savings bonus demonstrates three fundamental points about the Howard government. The first is its arrogance and its base ingratitude. No group in the community has provided the government with stronger electoral
support than the elderly. Despite many loyally voting conservative for years and years, this government has imposed double taxation on their life’s work and put forward a compensation package that leaves many substantially worse off. Secondly, it reveals the government’s preparedness to deceive and mislead, and use any amount of public funds to hide its deception. Finally, and most significantly, it demonstrates the fundamental problem with this government, the fundamental problem with the GST, the fundamental problem with its inadequate compensation package, the fundamental problem with its funding of schools, and so on. It is that this is a government that continues to be strong on the weak and weak on the strong. That is what the elderly in this country are repudiating.

Sadly, this approach on the savings bonus is not new. Particularly, it is not a new approach for this Prime Minister. He has form. Old habits die hard. History shows that the Prime Minister is a serial offender when it comes to dudding the elderly in this country. It goes back as far as 1977 when he was the Treasurer in the Fraser government. He denied pensioners an increase in pensions for over a year by taking away their annual indexation. This was the period when he got the tag ‘Honest John’. ‘Honest John’ was meant to be an ironic expression. He is continuing that approach now all the way through. It is happening to the elderly of Australia again and again. During the Fraser government, pensions fell substantially below 25 per cent of average weekly earnings, down to 22 per cent. Under this government, despite their commitment to maintain pensions at 25 per cent of average weekly earnings, they have dropped below 25 per cent of average weekly earnings. Through that drop the government have dudded each pensioner in this country in excess of $200. They have been out there pilfering the handbags of pensioners, imposing harsh cost cuts and breaking their promises to keep pensions at 25 per cent of average weekly earnings. This approach has continued when you look at the GST package and at the rest of the compensation arrangements.

There is something really funny when it comes to the Prime Minister and the elderly. Why is it that the elderly bring out the tricky dicky in John Howard? Why is it? When we come to the four per cent pension increase that is supposed to compensate the elderly for the impact of the GST, we find that it is a dud. What do the government do? The first thing they do is take $10 off every full pensioner in the country in their first pension payment, despite the fact that all of the glitzy advertising said ‘a full four per cent up-front increase’.

Mr Anthony interjecting—

Mr SWAN—Minister, you took $10 off every pensioner in this country.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! You will address your remarks through the chair.

Mr SWAN—The minister also promised that he would keep pensions ahead of prices. All of the advertising said, ‘Prices are going to go up, but don’t worry about that because the pensions will go up in advance of prices.’ Well, minister, this is a fallacy; in fact, it is a lie. The government’s own budget papers prove it. The fact of the matter is that pensioners are behind the inflation rate. The four per cent increase is coming through, and the future increases are coming through, months after the impact of the actual inflation so pensioners are continually behind. We have had another great lie. The full four per cent increase will be taken away next March. It will be turned into a two per cent increase. You have gone out there and told pensioners they are getting a four per cent increase and what a great deal it is, neglecting to mention—just leaving it down there in the fine print—that two per cent of that will be taken away next March.

That brings me to the deeming rules. This goes back to a crime committed in the first period of the Howard government, where you deemed the first $2,000 of pensioners’ savings. That was money that most pensioners have kept for emergencies, usually for a funeral. And you were so lousy—

Mr DEPUTY SPEAKER—Order! The chair was not lousy.
Mr SWAN—The Howard government was so lousy that it deemed the first $2,000 of a pensioner’s savings. Now we have got to the latest outrage. The National Australia Bank, the most profitable bank in this country, recently announced a cut to its deeming rate of 0.08 per cent, which can cost some pensioners up to $50 in pension and up to $110 in lost interest. This minister said in the House, ‘That’s fine. That’s okay. Let the banks do what they like. Let them steal the money from pensioners and take it away and set the example to all of the other banks to drop their deeming rates.’ That is what the government has said. If it is okay for the NAB, it is going to be okay for the Commonwealth Bank and it is going to be okay for Westpac. That is what happened when the government deemed the first $2,000, because the banks are not paying the right deeming rate on the first $2,000. Now that is going to happen to tens of thousands of pensioners with their subsequent savings.

So it does not matter where you look: when you look at the record of this government you can see that they give the green light for banks to bully pensioners and that they make their decisions on compensation to include taking money from those with the least. That brings us to the fundamental and cardinal principle of this government: the more you have the more they give you and the less you have the less you get. Those opposite come into this House and talk about the need for incentives—but to them that means that higher income earners need incentives and lower income earners need punishment. That is the approach that the minister takes to the Job Network, and it is one that are now applying across the board, particularly the new zero tolerance family policy which will batter a lot of families in this country and cause a lot of financial problems for many of them.

The latest outrage is rising petrol prices. They have previously dunned all of these people on petrol prices. The Treasurer has the hide to come into the House and say, ‘Pensioners will not get their inadequate pension increases if we do not keep the promise that we made on petrol.’ This is an outrage. The Treasurer then came in and said, ‘I am going to use the pensioners of Australia as a shield to hide from the criticism that the Labor Party is making over the fact that we have not kept our promise on petrol.’ This is a disgraceful approach. The Minister for Community Services and the Minister for Employment Services go around the country pretending that they are passionate conservatives. They are not compassionate conservatives at all; they are cold-hearted conservatives. Because their economic agenda is so harsh they have to go out there and try to erect some new smiley mask to cover up the impact of these policies which are having a fundamental impact on so many low and middle income earning Australians. The notion of a passionate conservative is simply an oxymoron. It is a Trojan horse to cover up this government’s dreadful record.

(Time expired)

Mr ANTHONY (Richmond—Minister for Community Services) (4.39 p.m.)—It is rather disappointing that the member for Lilley not only resorts to incorrect facts but also fails to acknowledge the substantial benefits that we have given to older Australians. We have instigated substantial benefits that were never introduced by the Australian Labor Party when they had stewardship of this parliament for 13 years. Aside from rebuffing some of the ludicrous claims made by the member for Lilley, today I will demonstrate where pensioners are better off. They have certainly been better off through the aged savings bonus. We will look at GST compensation; look at the MTAWE which we introduced to ensure that older Australians, particularly those on pensions, were not going to be disadvantaged under the poor indexation arrangements that the Australian Labor Party had in place; look at what we have done with the Commonwealth seniors card; look at what we have done with the tax changes which have benefited all Australians; and of course look at the substantial reforms we have made in health and particularly in aged care which the Labor Party totally disregarded in their 13 years in office. We will also look at the benefits which have accrued for self-funded retirees.

Firstly, it is rather extraordinary that the member for Lilley and the Labor Party spend
so much time claiming how poor the aged savings bonus was. We introduced the aged savings bonus because we recognised that by introducing a new tax system there would be some inflationary impact. If there was going to be some inflationary impact, we wanted to acknowledge that. If the purchasing power particularly of older Australians was going to be diminished, we would compensate them for it. The Australian Labor Party never did anything about that in the 13 years they were in government. The most obvious example was in the 1993 election when they campaigned vehemently against the GST. Of course, as soon as they got elected, what did they do? They increased wholesale sales taxes considerably. Was there any compensation for any Australians? No. Was there any compensation for older Australians? No. During that period the purchasing power of wages was going down. The government indexed pensions on two occasions: with MTAWE in the 1990 election and then in 1993. It was for purely political purposes because, if they had remained with their then policies—particularly when it came to not tying it to 25 per cent of male total average weekly earnings—pensioners today would be receiving $13 less. The Australian Labor Party claim that they looked after older Australians, but that is absolute rubbish.

We said that if there was going to be a diminution in purchasing power that we would put in an aged savings bonus and a supplementary bonus for self-funded retirees. Again the Labor Party—even the member for Lilley when he was last on this side of the parliament—never accommodated that. The suggestion is that somehow we were roaming around the country prior to its introduction claiming that everyone was entitled to a savings bonus. Not only did they object—and they voted against the legislation for A New Tax System which actually included the savings bonus—they suggested that we did not inform them. Perhaps the member for Lilley has been affected by selective amnesia, which I know has affected a few other front-benchers.

Mrs Bronwyn Bishop interjecting—

Mr ANTHONY—Surely not. I have forgotten, actually. The member for Lilley read from two magazines sent out to all older Australians. Aged Pension News for senior Australians is a very good publication by Centrelink, which, I might add, is a very good organisation which certainly does not deserve to always be pulled down by the member for Lilley. The date of the publication is March-April 2000. That was before 1 July.

Mr Swan interjecting—

Mr ANTHONY—That is right. And we have another publication in June. And of course there is a letter sent by Senator Jocelyn Newman, the very good Minister for Family and Community Services. I will read it because I think it is important to educate the Labor Party. It talks about the aged savings bonus being from $1 up to $1,000 for people 60 years and over and the self-funded retirees supplementary bonus. The member for Lilley is leaving the chamber but I am sure he will be able to watch this on closed circuit. It says that the bonus is reduced if the total annual retirement income or taxable income is more than $20,000. No bonus is paid if the total annual retirement income or taxable income is over $30,000. And on it goes. It is just remarkable that those opposite are now complaining about the savings bonus. First of all they voted against it; then they were not going to support it. Now over 1.45 million older Australians have received an aged persons savings bonus.

Mrs Bronwyn Bishop—They might roll it back.

Mr ANTHONY—We have often wondered: are they going to roll that back? Fifty-five per cent of those people have received over $1,000 in compensation; 70 per cent have received over $500. The average amount is $702. What is wrong with that? We have made provision, if they believe their assessment is incorrect, for them to go to Centrelink. Of course, we assessed their entitlement from the information that we had on our Centrelink records. Why? Because that is the information that we need to ensure that their pension entitlements are correct. We did not actually ask them to fill out a form because we should already have had that data there. If that data is incorrect, there is an onus on older Australians to let us know whether
we need to pay them more or perhaps need to pay them less. So this notion that we did not inform the Australian public is an absolute load of tripe from the member for Lilley. I know there is an old saying that the best form of defence is attack. As I alluded to earlier in the House, I think he has got some other problems on his conscience at the moment. Although he might be trying to look like Leonardo DiCaprio in the latest *Titanic* film—

**Mr DEPUTY SPEAKER (Mr Nehl)**—
The minister will address his remarks to the subject of the discussion.

**Mr ANTHONY**—he is certainly not as handsome. It is very disappointing that he is continuing to say these untruths. When it comes to self-funded retirees, here we have another group of Australians who never got anything from the Australian Labor Party. They were treated with contempt. We said, ‘All right, if you are going to be also seeing a reduction in your purchasing power, then you may be eligible for up to $2,000 per person,’ and we brought that age back to 55 years, recognising that these people needed to have some type of compensation—not to mention the generous tax cuts we put through for those individuals.

**Mr Swan**—They pay a lot of tax, do they?

**Mr ANTHONY**—Many of them do pay a lot of tax and, I tell you what, they are paying a lot less tax now than when you were in government. Most of those self-funded retirees probably have not lodged yet; they are still waiting on lodging their tax return either for last financial year or the previous financial year. But at least they can claim it, and they could never claim it with you because you never had it, old chum.

**Mr DEPUTY SPEAKER**—Address your remarks through the chair. The member for Lilley will be silent.

**Mr ANTHONY**—Absolutely, Mr Deputy Speaker. Over 68 per cent of those who have applied have received the full $2,000. What is wrong with that? Seventy-eight per cent have received $1,500 and the average amount is $1,755. So to come into this House and masquerade with this false indignation and outrage that self-funded retirees or even older Australians have got less under our stewardship is absolutely incorrect.

Regarding the pension increases, another point that he continues to misinform the House on is that we are not compensating pensioners for price increases. That is the misinformation that the member for Goebbels—sorry, member for Lilley—is stating. We have ensured under the current indexation arrangements that anyone on social security payments, and indeed particularly older Australians, will have compensation up-front by a four per cent increase in their pension. How does it work? Indexation was set many years ago. Indexation is a measurement of prices three months before. The next indexation arrangement is on 20 September this year. We said, ‘All right, with the introduction of the new tax system, if we do see some inflationary pressure, we are actually going to bring forward that CPI increase from March next year and actually give it to them nine months earlier.’ What is wrong with that? I see a bemused look from the member for Lilley. He may indeed be bemused, because it is a good policy. We brought forward that indexation from March to July, a four per cent straight-up increase. They will also be entitled to their increase from 20 September for the last six months. And, come March next year, we have guaranteed that they will be two per cent ahead of any increases that might result from the CPI.

The other thing we did was in relation to the male total average weekly earnings. They never linked it to another form of measurement. We have seen wages in the country performing significantly better and we want to ensure, under our low inflationary environment which we created through good economic management, that pensioners will not be disadvantaged. So we said, ‘Okay, we will use two measurements. Either we link it to indexation or we link it to MTAWE.’ This is something the Labor Party never did. If they had been in government now, God forbid, pensioners would be $13 a fortnight worse off because they failed to do that.

The other area where we have made improvements for older Australians is in the area of health. I notice that the member for Lilley in his opening remarks was saying
how terribly we have handled aged care in the area of health. The interesting thing is that they had 13 years to fix the aged care sector, particularly nursing homes. They commissioned a report by Professor Gregory in which he stated that they needed a capital injection of over $1.3 billion, and they did absolutely nothing. They ran down nursing homes to unacceptable standards. They did not increase funding. We now spend $3.8 billion a year in subsidies to the 135,000 nursing homes across the country. Do you know what the Labor Party spent in their last year in office?

**Mr Bartlett**—$2.5 billion.

**Mr ANTHONY**—Yes, $2.5 billion. We are spending $3.8 billion now and we are introducing responsible policies, particularly in the area of respite care, particularly in the area of staying at home initiatives or home and community care packages, which are worth over $525 million. So we are recognising the disastrous legacy that we inherited from the Labor Party with their appalling notion of nursing homes in this country. More capital has gone in and there are more diverse forms of care available to older Australians.

What concerns most older Australians of course is health: 'Can I get into a hospital if I need a hip replacement or if I need an emergency operation?' With the legacy of long hospital queues, particularly in New South Wales, they do not have much chance. They do not have much chance because you cannibalised the private hospital sector.

**Mr DEPUTY SPEAKER**—The chair did not cannibalise anything.

**Mr ANTHONY**—Absolutely not. When the Australian Labor Party got into office in 1993, 64 per cent of Australians had some type of private health insurance. That figure dropped to 34 per cent in 1996—and they are claiming to represent the interests of older Australians! What happened is that people were rolling out of private health and going into the public hospital queue system, and of course that could not cope. That is why you have a waiting list. Even in my home town there are 1,700 on the waiting list at a hospital in the Tweed. We have done significant things. The first thing we have done is to put incentive back into the private health system so people can take out private health insurance, and it is recognised in the tax system. You guys never did that. You are philosophically opposed to that. Are you opposed to that, Member for Lilley?

**Mr DEPUTY SPEAKER**—Order!

**Mr ANTHONY**—Mr Deputy Speaker, sometimes I get overenthusiastic.

**Mr DEPUTY SPEAKER**—Try to control yourself, Minister.

**Mr ANTHONY**—I am, Mr Deputy Speaker. I just put a rhetorical question to the member for Lilley: is he opposed to private health insurance? The interesting thing is that I think he is.

**Mr Swan interjecting**—

**Mr DEPUTY SPEAKER**—The member for Lilley should try to control his tongue and zip his lip.

**Mr ANTHONY**—A superb ruling! The member for Lilley should perhaps go off and start talking to his constituents. Why? I happened to have a look and saw that 48 per cent of the residents of Lilley are in private health funds.

**Mr Swan interjecting**—

**Mr ANTHONY**—You say, 'It's good to see,' and yet you—and particularly your shadow spokesperson—continue to come into this House and run down the initiatives in health, when we have introduced substantial reforms to private health insurance. The big proportion of those people to benefit from the initiatives are older Australians. They are pensioners and self-funded retirees. Pensioners have made an enormous sacrifice. They are making that sacrifice because we introduced that 30 per cent rebate—which you never did. We have introduced lifetime cover. That you never did. We have also introduced many other measures for older Australians. When it comes to self-funded retirees, who introduced the changes to the capital gains tax whereby they could roll over their funds? We did. Who introduced capital gains tax? (Time expired)

**Ms HOARE** (Charlton) (4.54 p.m.)—It is a matter of national disgrace and national
shame that the final matter of public importance to be discussed in the national parliament prior to the Olympic Games being held in Sydney this month, when the eyes of the world—through the international media—are upon us, is:

The failure of the Government to adequately protect the living standards of older Australians.

Last year we saw the International Year of Older People celebrated across the world, particularly in our own country. I celebrated with older Australians in my electorate of Charlton. During this time we held functions in which we recognised the contribution of older Australians and the work that they have done in my electorate to make the lives of less fortunate people, more disadvantaged people, a little bit better. They mainly do that in the form of voluntary work. We parliamentarians all attended these functions in our electorates and we all spoke about the wonderful work performed by older Australians, particularly that voluntary work. During that year many statements were made by the Minister for Aged Care regarding older Australians, and I will quote from one of the minister’s media releases talking about the honouring of senior Australians in their international year. The minister said that an important part of this International Year of Older Persons is to formally recognise the valuable ongoing contribution of senior Australians to our community. She went on to say:

I want our contribution to the International Year ... to begin cultural change within society whereby we value and use the experience and wisdom of our senior Australians, not just have a celebration for 12 short months...

Many seniors contribute enormously to the community, she said, both as volunteers and in the paid work force. She said she often described these volunteers as being ‘the mortar’ between the bricks that hold our society together. I think it is extremely unfortunate that these words from the Minister for Aged Care were not an indication of government moves to redress the impacts of its policies on older Australians. They were only glossy platitudes for these older Australians to divert their attention from the savage attacks by this government on their standard of living.

We need only to have a look at the record of this government to see where some of those savage attacks have been meted out. This government has cut nearly $3 billion worth of social security payments and services. It abolished the Commonwealth Dental Health Program. It removed free hearing aids and hearing services for health care card holders. It cut the number of Financial Information Service offices by 25 per cent. It introduced nursing care fees including the annual and extra daily fees. It deemed interest rates on bank accounts of less than $2,000 and it removed the earnings credit scheme. It reduced rent assistance for shared renters and it means tested the superannuation assets of over 55-year-olds. It also tightened the pension advance scheme.

Then, on 1 July this year, the Prime Minister, the Treasurer and the Leader of the Australian Democrats slugged older Australians with a 10 per cent GST on everything that they buy and on every service that they use. After these people have been paying taxes all their working lives, this government has introduced a tax on older, retired Australians which is unprecedented in this country. Never before has the average, older Australian been forced to pay a broad based tax every day of their retirement. Make no mistake; pensioner groups and groups of retired people are organising across the country to stand up for their rights, to protect their standard of living and also to protect their futures. Older Australians, as they become more frail and less able bodied, are the greater population of users of services in this country. Some of the services that older Australians need to use just to keep going with their daily lives include cleaning services, whereby people come into their homes to help them keep their homes clean; home help and home care services; gardening and lawn-mowing services. Older Australians rely on public transport, which attracts the GST, and those who do not rely on public transport are being hit at the petrol bowser. Older Australians tend to attend more social outings with their friends; they go to bowling clubs, for example. And at the end of their lives older
Australians will be charged a GST on their own funeral.

As Australians become older, they become more reliant on non-prescription health aids—things like pain-killers, antacid tablets, creams and vitamins, which are all items that cost more since the imposition of the GST. To compensate older Australians for the unfair impact of the GST on them, this government saw fit to introduce a savings bonus for older Australians. Before the elections in 1998, Prime Minister Howard promised on many occasions that every Australian over the age of 60 would receive a $1,000 savings bonus. However, the government’s own figures, obtained by us through the Senate estimates, show that over 300,000 elderly Australians will receive a one-off bonus payment of between $1 and $50. The government’s information also reveals that 43 per cent of Australians over 60 will receive no payment at all. Others have missed out or have been paid less than they are entitled to because the Centrelink records are out of date.

This parliament is a parliament of the people, and I, like many of my colleagues both on this side of the House and on the government benches, have received numerous complaints from my constituents, which I have forwarded to the Minister for Family and Community Services, asking for an explanation. Because this is the people’s house, I will take some time to read some words that have come from my constituents complaining about the government’s treatment of them. I had a letter from a constituent at Wallsend, who said:

I wish to say how disgusted I was when I received my Aged Pension Bonus of $1.00. What an insult. I understood all Aged Pensioners were to receive $1,000. I would like you to tell the Prime Minister to add my $1.00 towards his next overseas holidays he goes at the taxpayers expense. I thought by law you were not allowed to discriminate against people—well he certainly has against the Poor to give to the Rich. ... He has taken away our Dental Benefits, we can no longer receive dentures or repairs. I know of many aged pensioners who cannot afford the price of new dentures so they do without. And ill fitting teeth can cause cancer. ...

The price of our scripts has increased and most tablets and creams have been taken off the free list...

When my husband died after a long illness of cancer, I had no Long Service leave or Super, not even a weeks pay to live on. I had a daughter starting high school and a son unemployed at that time. We lived from week to week on a single pension. These are the people that need the Bonus, not the rich.

She signs it ‘Disgusted’. I have another letter addressed to the minister from a constituent making an inquiry on behalf of his mother regarding her entitlement to the bonus. He said that his mother is in a nursing home following deterioration of her physical and mental condition. Her eyesight is minimal, she is afflicted by dementia and she is physically incapacitated. Her age pension is accessed automatically to cover nursing home fees. The son was informed that his mother would receive a bonus of only approximately $90 because she had not informed Centrelink of some changes. When she moved from hostel to nursing home care, my constituent’s mother had a $50,000 bond refunded and deposited in her building society account. His mother’s physical and mental condition at that time would have precluded her from informing Centrelink of this refund and savings account deposit. His own monitoring of her financial situation each year was restricted only to whether her income affected her pension entitlements or incurred any tax liability. His assessment was that it did not. He writes:

I am interested to know how you will justly determine the Bonus that my mother is entitled to. I politely await your response.

I have many more letters here that I could have referred to but time does not allow it. I, my colleagues and members of the government have received many comments from older Australians who will vote out this government at the next election. They will vote it out because this government has completely and utterly failed to adequately protect the living standards of older Australians.

Mr ROSS CAMERON (Parramatta) (5.04 p.m.)—Earlier in the debate, the member for Lilley called for an examination of the facts of the matter. That is exactly what I propose now to do. The facts can be rather inconvenient items for those advancing a weak argu-
ment—and certainly they are doing that in the case of this MPI. In the 10 minutes available to me, I wish to present the House with 10 facts outlining the government’s outstanding commitment to preserving the purchasing power and income of older Australians.

Fact No. 1: strengthening the safety net. In 1998 for the first time the maximum single rate of pension was set in legislation to be at least 25 per cent of male total average weekly earnings. This is the anchor, the linchpin, the symbolic gesture, around which all of the other initiatives of the government fall into place. It demonstrated that we were not prepared to let the pension fall one cent below 25 per cent of male average weekly earnings and that we were prepared to back that commitment with legislation—something that Labor were never prepared to do. As a result, the maximum single rate of pension increased by $13 a fortnight and the partnered rate increased by $11 over and above any other rises linked to the consumer price index. Fact No. 2: partially self-funded retirees get a part-rate age or service pension benefit from increases to pension rates announced as part of the new tax system. From July 2000, maximum pension rates were increased by four per cent up-front before the new tax system was even introduced.

Fact No 3: from 1 July 2000, the income and assets test free areas for pension entitlement increased to $106 a fortnight for single people and $188 for couples. The rate at which the pension is reduced under the income test was also eased. As from 1 July 2000, pensioners are able to keep an extra 10c of pension for each dollar of income over the income test free area each fortnight. This benefit alone extends pension entitlements to around 50,000 retirees who were not previously entitled. I say to the member for Lilley: go and ask those 50,000 pensioners who are now receiving assistance from the Commonwealth government about what level of commitment this government has. Ask the ones who were outside the drawbridge under Labor but to whom we said, ‘We recognise your contribution to building this nation and we want you to benefit along with all the others.’ We said to 50,000 retirees, ‘We want you to get a share of Commonwealth income support for older Australians.’

Fact No. 4: commencing from the 1996-97 tax year, the government introduced a tax rebate equivalent to the level of the pension, a tax rebate for self-funded retirees of aged pension age with incomes below the cut-off for the pensioners rebate. This means a single, self-funded retiree can earn up to $11,905 without paying tax and a couple can earn over $20,000 without paying tax. So, instead of trying to find ways to keep older Australians out of income support, this government has been trying to find ways to bring them in.

Fact No. 5: under the new tax system, which started on 1 July 2000, older Australians, particularly self-funded retirees, are benefitting from changes to the tax scales as well as from the abolition of provisional tax. Increases in the rebates for pensioners and low income aged persons will reduce tax liability for 330,000 older Australians. So we have just added 50,000 new pensioners to the list as a consequence of the tax rebate, another 330,000 who have been brought into the fold by the measures introduced on 1 July 2000 under the new tax system and 70,000 part-pensioners and self-funded retirees who will pay no tax at all. On the other side of the scale, 70,000 older senior Australians—who previously were having to pay tax under Labor’s falling-down, ramshackle tax arrangement—got dropped off the list of taxpayers when we introduced our new pristine, state-of-the-art, efficient, equitable tax system. Now they are enjoying their retirement, as this government would hope and every senior Australian would be expected to.

Mr Kelvin Thomson—Pensioners have never had it so good! What are they complaining about?

Dr Nelson—Yes, and the IMF is not running Australia!

Mr ROSS CAMERON—That is exactly right. Fact No. 8: commencing from 1 July 1998, the pension bonus scheme rewards people of aged pension age who defer claiming income support and continue working for at least one year from the date of their membership of the scheme. The bonus
is paid as a tax free lump sum bonus. We like it when Australians pay less tax. That is the difference between members on the two sides of the chamber. We think Australians should be able to keep as much as possible of the money they generate, whereas others have the view that Australians are born with some sort of genetic liability for vast amounts of income to the Commonwealth Treasurer. We believe in smaller government and bigger communities, but I know that you guys have this Messianic view of government, that it is there to solve every problem in the world. You love building massive bureaucracies. You love seeing the public sector expand and expand. That is why people say, ‘Buy in Canberra under a coalition government; sell under a Labor government.’ We know you love bloating this Public Service.

Fact No. 9: what an outstanding minister we have in Peter Reith. The Workplace Relations Act 1996 contained at provisions aimed at eliminating age discrimination in employment. The Public Service Act 1999 abolished compulsory retirement in the Australian Public Service.

Dr Nelson—So Leo can stay.

Mr ROSS CAMERON—So that Leo can stick around. Fact No. 10: we are interested not just in gross income amounts; we are interested in purchasing power. I want you to think for a moment about the difference in the macro-economic management performance of this government and the one that preceded it. Under Labor, the consumer price index routinely rose by amounts like 6.7 per cent in 1984, 8.4 per cent in 1985 and 9.4 per cent in 1986. During the four years of this coalition government, what do you think the CPI has been, remembering every point it rises deprives older Australians of purchasing power? With every point it rises, when they rock up to the supermarket at the beginning of the week they know that their dollar cannot be driven as far as before. What do you think it has risen by in the four years of coalition government? On average, it has risen 1.2 per cent.

The thing is, lads, while you were out there building these magnificent bureaucratic jungles, forcing more and more Australians into the role of taxpayers, pushing more and more of those who were earning tax-free incomes into the Treasurer’s pocket, we are out there running a lean, tight economy, recognising that with every dollar we take from an Australian taxpayer we have a sacred trust to ensure that it is spent on behalf of all Australian people and that not one dollar too much should be taken from the Australian people.

There are 10 facts which demonstrate the commitment of this government to preserving the income and purchasing power of older Australians. You might wonder why on earth this debate has come on the agenda. Why is this debate taking place? People listening may not be aware of how the matter of public importance debate comes to be selected. It is a courtesy extended by governments to oppositions for accountability of the executive. It is a proper function of the parliament. The great problem which the Leader of the Opposition currently has—and I suspect this is the answer to the question—is that he cannot fill the jobs that he has. Whenever there is a task to be done in the opposition, you have the whole front bench running in the other direction because they say, ‘Kim, I couldn’t do that. It’s a poisoned chalice.’ So Simon and Leo are sitting around trying to dream up some matters of public importance.

Mr Rudd—On a point of order, Madam Deputy Speaker: the member for Parramatta is required to refer to office bearers in the opposition by their correct titles.

Mr ROSS CAMERON—So they said, ‘Let’s do an industry MPI. But the problem is that our shadow minister is the spokesman for anti-industry policy.’ Then they said, ‘Can we do an employment MPI?’ and the answer was, ‘Employment in Parramatta has fallen from 13.2 per cent to 3.2 per cent under the coalition government. We can’t do employment.’ They said, ‘Maybe we could do the economy.’ Simon said, ‘The problem is I do not really understand economics. I have never given a major speech on the economy and I am not about to start today.’ (Time expired)

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—Order! The discussion is concluded.
I move:

That so much of standing orders be suspended as would prevent the member for Grayndler moving a motion forthwith that the Minister for Community Services be required to inform parliament before it rises tonight how his decision to impose a requirement on the Parliamentary Library that requests for information regarding Centrelink be directed through his ministerial office does anything other than cause delay and filter the information provided to the library.

It is absolutely outrageous that this government—

Motion (by Mr Slipper) proposed:

That the member be not further heard.

Mr Leo McLeay—Madam Deputy Speaker, I rise on a point of order. The member for Grayndler had not finished reading out his motion. Under the standing orders, he is required to be allowed to complete reading out his motion before rude members of the government try to sit him down. We at least have that much democracy left here, I would hope.

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—There is no point of order. The minister has moved that the member be not further heard.

Question put.

The House divided. [5.20 p.m.]

(Madam Deputy Speaker—Mrs D.M. Kelly)

AYES

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Baile, P.E. Baird, G.B.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, K.
Bishop, J.I. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Downer, A.J.G. Draper, W.G.
Elder, K.S. Fischer, T.A.
Fahey, J.J. Gallas, C.A.
Forrest, J.A.* Gash, J.
Gambaro, T. Haase, B.W.
Georgiou, P. Hawker, D.P.M.
Harder, G.D. Hull, K.E.
Hockey, J.B. Katter, R.C.
Jull, D.F. Kemp, D.A.
Kelly, J.M. Lieberman, L.S.
Lawler, A.J. Lloyd, J.E.
Lindsay, P.J. May, M.A.
Macfarlane, I.E. McGauran, P.J.
McArthur, S. Moore, J.C.
Moore, J.G. Moylan, J.E.
Neville, P.C. Nelson, B.J.
Nugent, P.E. Pyne, C.
Reith, P.K. Ronaldson, M.J.C.
Ruddock, P.M. Schultz, A.
Scott, B.C. Seeker, P.D.
Slipper, P.N. Somilay, A.M.
Southcott, A.J. St Clair, S.R.
Stone, S.N. Sullivan, K.J.M.
Thompson, C.P. Thomson, A.P.
Truss, W.E. Tuckey, C.W.
Vaile, M.A.J. Vale, D.S.
Williams, D.R. Washer, M.J.
Worth, P.M. Woolridge, M.R.L.

NOES

Adams, D.G.H. Albanese, A.N.
Andren, P.J. Bevis, A.R.
Bereton, I.J. Burke, A.E.
Byrne, A.M. Corcoran, A.K.
Cox, D.A. Crean, S.F.
Croston, J.A. Danby, M.
Edwards, G.J. Ellis, A.L.
Emerson, C.A. Evans, M.J.
Ferguson, L.D.T. Ferguson, M.J.
Fitgerald, J.A. Gerick, J.F.
Gibbons, S.W. Gillard, J.E.
Griffin, A.P. Hall, J.G.
Hatton, M.J. Hoare, K.J.
Horne, R. Irwin, J.
Jenkins, H.A. Kerton, C.
Kerr, D.J.C. Latham, M.W.
Lawrence, C.M. Lee, M.I.
Livermore, K.F. Macklin, J.L.
Martin, S.P. McClelland, R.B.
McFarlane, J.S. McCoy, L.B.
McMullan, R.F. Melham, D.
Morris, A.A. Mossfield, F.W.
Murphy, J.P. O’Byrne, M.A.
Thursday, 7 September 2000

**Representatives**

- O’Connor, G.M.
- Plibersek, T.
- Quick, H.V.
- Roxon, N.L.
- Sawford, R.W.*
- Sercombe, R.C.G.*
- Smith, S.F.
- Tanner, L.
- Thomson, K.J.
- Zahra, C.J.

**Pairs**

Howard, J.W. & Beazley, K.C.
Costello, P.H. & Hollis, C.

* denotes teller

Question so resolved in the affirmative.

**Mr Leo McLeay** (Watson) (5.25 p.m.)—It is disgraceful that the government has stopped this motion. The minister should come in here and say what he is doing. The minister is here and should get up and defend himself.

Motion (by **Mr Slipper**) put:
That the member be not further heard.

The House divided. [5.27 p.m.]

(Madam Deputy Speaker—Mrs D.M. Kelly)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>Noes</th>
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<td>……..</td>
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<td>Noes</td>
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<td>65</td>
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**Ayes**

- Abbott, A.J.
- Andrews, K.J.
- Bailey, F.E.
- Barresi, P.A.
- Billson, B.F.
- Bishop, J.I.
- Cadman, A.G.
- Cauley, I.R.
- Downer, A.J.G.
- Elton, K.S.
- Fahey, J.J.
- Forrest, J.A.*
- Gambaro, T.
- Georgiou, P.
- Hardgrave, G.D.
- Hockey, J.B.
- Jull, D.F.
- Kelly, J.M.
- Lawler, A.J.
- Lindsay, P.J.
- Macfarlane, I.E.
- McArthur, S.*
- Moore, J.C.
- Nehl, G. B.
- Neville, P.C.
- Prosser, G.D.

**NOES**

- Adams, D.G.H.
- Andre, P.J.
- Breerton, L.J.
- Byrne, A.M.
- Cox, D.A.
- Crosio, J.A.
- Edwards, G.J.
- Emerson, C.A.
- Ferguson, L.D.T.
- Fitzgibbon, J.A.
- Gibbons, S.W.
- Griffin, A.P.
- Hatton, M.J.
- Horne, R.
- Jenkins, H.A.
- Kerr, D.J.C.
- Lawrence, C.M.
- Livermore, K.F.
- Martin, S.P.
- McFarlane, J.S.
- McKeon, R.F.
- Morris, A.A.
- Murphy, J.P.
- O’Connor, G.M.
- Plibersek, T.
- Quick, H.V.
- Roxon, N.L.
- Sawford, R.W.*
- Sercombe, R.C.G.*
- Smith, S.F.
- Tanner, L.
- Thomson, K.J.
- Zahra, C.J.

**Pairs**

Howard, J.W. & Beazley, K.C.
Costello, P.H. & Hollis, C.

* denotes teller

Question so resolved in the affirmative.

**Ms MacKinnon**—Madam Deputy Speaker, I just want to add that it is an outrage that the minister—

Madam Deputy Speaker (Mrs De-Anne Kelly)—You have no point of order. Resume your seat!

**Mr Albanese**—On what basis?
Madam DEPUTY SPEAKER—There is no point of order.

Mr Albanese—Of course it’s a point of order—

Ms Macklin—Madam Deputy Speaker—

Mr Slipper—I move that the question be now put.

Madam DEPUTY SPEAKER—Do you have a point of order?

Ms Macklin—I was standing before him and you called me.

Madam DEPUTY SPEAKER—Yes, I did, and I waited for your point of order.

Ms Macklin—I was standing before him and you called me.

Madam DEPUTY SPEAKER—I am calling you and I am asking for your point of order.

Ms Macklin—that is my point of order. So he cannot move that the motion be put. He would have to stop me speaking.

Mr Slipper—Madam Deputy Speaker, on the point of order: what the member for Jagajaga said was absolute nonsense. As the chair you are required to put the question that the motion be now put.

ADJOURNMENT

Madam DEPUTY SPEAKER (Mrs De-Anne Kelly)—Order! It being 5.30 p.m., I propose the question: That the House do now adjourn.

Mr Slipper—Madam Deputy Speaker, I require that the question be put forthwith without debate.

Question resolved in the negative.

PARLIAMENTARY LIBRARY

Consideration resumed.

Question put:

That the motion (Mr Albanese’s) be agreed to:

The House divided. [5.35 p.m.]

(Madam Deputy Speaker—Mrs D.M. Kelly)

Ayes……………… 65
Noes……………… 75
Majority………… 10

AYES

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

NOES

Abbott, A.J.  Anderson, J.D.
Andrews, K.J.  Anthony, L.J.
Bailey, F.E.  Baird, B.G.
Barresi, P.A.  Bartlett, K.J.
Billson, B.F.  Bishop, B.K.
Bishop, J.I.  Brough, M.T.
Cadman, A.G.  Cameron, R.A.
Causley, I.R.  Charles, R.E.
Downer, A.J.G.  Draper, P.
Elson, K.S.  Entscht, W.G.
Fahey, J.J.  Fischer, T.A.
Forrest, J.A. *  Gallus, C.A.
Gambino, T.  Gash, J.
Georgiou, P.  Haase, B.W.
Hardgrave, G.D.  Hawker, D.P.M.
Hockey, J.B.  Hull, K.E.
Jull, D.F.  Katter, R.C.
Kelly, J.M.  Kemp, D.A.
Lawler, A.J.  Lieberman, L.S.
Lindsay, P.J.  Lloyd, J.E.
Macfarlane, I.E.  May, M.A.
McArthur, S. *  McGauran, P.J.
Moore, J.C.  Moylan, J.E.
Nehl, G. B.  Nelson, B.J.
Neville, P.C.  Nugent, P.E.
Prosser, G.D.  Pyne, C.
Reith, P.K.  Ronaldson, S.
Ruddock, P.M.  Schultz, A.
Question so resolved in the negative.

DAYS AND HOURS OF MEETING

Mr REITH (Flinders—Leader of the House) (5.40 p.m.)—For the information of honourable members, we intend to sit through the dinner period because we believe, and we are hopeful, that we might have the material back from the Senate. We feel that it is better for the House to keep sitting so that we are not delayed when the material comes back from the Senate. We expect there to be a division on the workplace relations bill currently before the parliament, and that should not be very long. We are in the process of discussions with the members for Calare and Calwell about the vital contribution that they are keen to make on the defence bill. Subject to that, we are hopeful that the House will rise earlier rather than later, but obviously we cannot give members a more definitive timetable until the Senate has dealt with matters.

PERSONAL EXPLANATIONS

Mr SOMLYAY (Fairfax) (5.41 p.m.)—Madam Deputy Speaker, I wish to make a personal explanation.

Madam DEPUTY SPEAKER (Mrs DeAnne Kelly)—Does the honourable member claim to have been misrepresented?

Mr SOMLYAY—Yes.

Madam DEPUTY SPEAKER—Please proceed.

Mr SOMLYAY—The Gympie Times of 6 September reported a meeting between the Cooloola Shire Council and officers of the Queensland Department of Main Roads at which the future of the Bruce Highway was discussed. Mr Timmins, an officer of the Department of Main Roads, is quoted in that article as saying that Main Roads had:...

...fairly old plans for the highway through Gympie but there has been recent calls by the local member (Alex Somlyay) for a bypass of Gympie.

I want to assure the House that at no time have I ever called for the town of Gympie to be bypassed by the Bruce Highway.

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (PRIVATE TRUSTS AND PRIVATE COMPANIES—INTEGRITY OF MEANS TESTING) BILL 2000

Report from Main Committee

Bill returned from Main Committee without amendment; message from the Governor-General recommending an appropriation for the bill having been reported; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

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

BILLS RETURNED FROM THE SENATE

The following bills were returned from the Senate without amendment or request:

- Agriculture, Fisheries and Forestry Legislation Amendment Bill (No. 1) 2000
- Protection of the Sea (Civil Liability) Amendment Bill 2000
- Trade Practices Amendment (International Liner Cargo Shipping) Bill 2000

COMMITTEES

Family and Community Affairs Committee

Membership

Madam DEPUTY SPEAKER (Mrs DeAnne Kelly)—Mr Speaker has received advice from the Chief National Party Whip that he has nominated Mr Lawler to be a member of the Standing Committee on Family and Community Affairs in place of Mrs D.M. Kelly.

Motion (by Slipper)—by leave—agreed to:
That Mrs D. M. Kelly be discharged from the Standing Committee on Family and Community Affairs and that, in her place, Mr Lawler be appointed a member of the committee.

WORKPLACE RELATIONS AMENDMENT (TERMINATION OF EMPLOYMENT) BILL 2000

Second Reading

Debate resumed.

Mr GIBBONS (Bendigo) (5.45 p.m.)—The Workplace Relations Amendment (Termination of Employment) Bill 2000 is a remnant of the government’s second wave laws, which were effectively withdrawn by the government in December 1999, after both Labor and the Australian Democrats announced opposition to the omnibus bill. The Minister for Employment, Workplace Relations and Small Business, Mr Reith, has indicated that he will be seeking to introduce bills dealing with specific policy matters, as opposed to having them contained in one large bill. The minister has indicated that this is in accordance with the stated wishes of the Democrats.

The bill makes approximately 50 amendments to the unfair and unlawful dismissal provisions of the Workplace Relations Act of 1996. The proposed amendments are substantially the same as schedule 7 to the previous bill, although some amendments have been made to allay concerns raised by the Democrats. The bill attempts to strengthen provisions to prevent forum shopping by employees who are entitled to a remedy under the Workplace Relations Act in respect of harsh, unjust or unreasonable termination. The amendments will ensure that those employees eligible for a remedy under federal laws are ineligible to apply for a state remedy. It will also ensure that persons engaged pursuant to a contract for services are not entitled to apply for a remedy in respect of termination of employment. It will preclude an employee who has been demoted in their employment from seeking an application for termination of employment where the demotion does not result in a significant reduction in remuneration and the employee continues in employment with the employer who effected the demotion.

The bill will restrict the matters that the Australian Industrial Relations Commission and the Federal Court can take into account when deciding on an out-of-time application for both unfair and unlawful terminations. It will permit an employer in respect of termination of employment to have a motion for dismissal of the application for want of jurisdiction dealt with at any time. It will give the commission power to prevent an applicant for unfair termination proceeding to arbitration where the commission forms the view that the application has a substantial prospect of being unsuccessful at arbitration. It will require the commission, in considering whether a termination is unfair, to have regard to the size of the employer’s undertaking, establishment or service and any likely impact on the procedures followed in effecting the termination.

The bill will limit the commission’s jurisdiction to find that a termination of employment is unfair where the employer can establish that the termination was effected because of the operational requirements of the employer’s undertaking, establishment or service—that is, a redundancy situation. The commission may only find the termination unfair in exceptional circumstances.

The bill will prevent the commission and the Federal Court from including in any damages amount a component by way of compensation for shock, distress, humiliation or other analogous hurt caused by the manner in which the employee’s employment was terminated. The bill will confer power on the commission to require a representative who has been retained pursuant to a contingency fee agreement—that is, no win, no fee—or costs arrangement to disclose that fact to the commission.

The bill will also confer express power on the commission to dismiss an application in respect of a termination of employment if the applicant fails to attend proceedings. The bill will widen access to cost orders and clarify that costs can be awarded in jurisdictional costs and appeal proceedings. The bill will confer power on the commission to require an applicant to lodge an amount as security for any costs that might be awarded against him or her. It will prevent an applicant from
making two applications in relation to the same termination of employment and prohibit advisers from encouraging applicants to institute or continue speculative or unmeritorious unfair termination proceedings. The bill also makes a number of minor and technical amendments.

This is classic Minister Reith legislation. It is designed to strip away the protection and job security for workers. I remind the House of that famous quote, which the minister is now well renowned for:

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

What an extraordinary comment for a minister to make. Few people, with the exception of the minister, will be surprised to learn that Labor is on both sides. We believe in companies making profits, we believe in people owning private capital, but we also believe in fairness. We believe that workers should be protected from people who use the minister’s extremist and dangerous philosophies and agenda to walk all over people who sell their labour in order to feed their families.

Today in Bendigo a group of workers are staging a picket line after being locked out of their workplace at Milnes engineering. This company manufactures plumbing and pipe fittings for the irrigation industry. It has a superb record on industrial relations. It is a union shop. It has been a union shop for some considerable time. Up until now they have been able to resolve any internal disputes by a process of negotiation, in a spirit of goodwill with the employer. They have done it very effectively. So we have to ask ourselves what has changed? What has changed is that there is new management and there is the Peter Reith legislation. The new management, aided and abetted by Reith’s legislation, has created a situation where there is now another dispute. I remember in the old days that the quickest way for an employer in whose interests it was to have an industrial dispute was to sack a shop steward. We used to see it all the time, and deal with it all the time. They have got a bit more sophisticated now. There are new mechanisms.

In this case this company issued instructions to this one particular worker, knowing full well that he just could not deliver. That resulted in him being effectively sacked for one day. His mates went out in support of him and now there is a lockout. That lockout will go for some two weeks. Last week we had the employment minister, the Treasurer and the Prime Minister on their feet screaming at us about the unions’ 24-hour stoppage for the Campaign 2000. All hell was going to break loose. The sun was never going to shine again. We have had lockouts all over the place, ordinary workers restrained from going to work and doing their jobs and not one word from the minister, not one word from the government, not one word from the Treasurer. The ministers are all silent on this matter.

The arrogance of this government bewilders me. There is this manic obsession to belittle workers and take away their rights. This minister will go down in history as being the most arrogant of industrial relations ministers this parliament has ever had. If this minister were ever given responsibility for heavenly affairs he would have no hesitation in replacing the Ten Commandments with five allowable matters. I can just see the quotations: ‘Blessed are the economic rationalists, for they shall inherit the lot’ or ‘Blessed are the meek, for they shall inherit the earth—but only after Peter Reith has finished with it’.

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (5.53 p.m.) I thank all honourable members for their contribution, including even the last speaker, the member for Bendigo. The simple point to be made about the Workplace Relations Act is that it has been one of the factors which have improved the state of the Australian economy. We have seen 833,000 jobs created. Whether you are from Bendigo, Ballarat or other parts of regional Victoria, it is having a job that counts. The Labor Party, when they were in office, gave Australia the highest level of unemployment since the Great Depression. The honourable member does not need to talk to this government about rights. Not only do we respect the rights of workers and have legis-
lated to protect the rights of workers but also we have ensured a set of reforms which provide people with the chance of a job.

The second thing that our reforms have done has been to provide workers with the opportunity and a system which can afford higher real wages. It is all very well for the Labor Party to talk about rights, hollow as those claims might be, but the fact is that when the Labor Party were in office so poor were they as economic managers that workers, particularly low income workers, had their real incomes cut. Labor members of parliament boasted about how you cut people’s wages. There is no point in the member for Bendigo shaking his head. These are official figures from the Australian Bureau of Statistics and these are the comments of your own people.

When the Labor Party talk about the rights of workers, one of the most disadvantaged groups of workers in Australia today are workers who have lost their entitlements as a result of employers going bust. Yet not one member of the Labor Party in the federal parliament has been prepared to support the only scheme available to help those workers. And not only that: for their own cheap political purposes, they are out there dissuading Labor premiers from offering to match the Commonwealth dollar for dollar to help those workers. So don’t tell me about workers rights. The Labor Party are not even prepared to help workers today. The only people they are prepared to help are their mates, the trade union bosses in the ACTU and elsewhere in the trade union movement. The fact is that the shoppy union, the AMWU and the CFMEU are the ones the Labor Party look after—not the workers.

I thank members for their contribution to the debate on the Workplace Relations Amendment (Termination of Employment) Bill 2000. I would have to say, however, that the member for Brisbane and his colleagues seem to misunderstand the intention of this bill. Its intention is not to deprive unfair dismissal applicants of substantive rights, but rather to improve the process for dealing with unfair dismissal claims.

Mr Bevis—No, we understand the intention all right.

Mr Reith—It is just a pity that you don’t have a bit more talent on the backbench so at least you understand. You get these types from the shoppy union. They don’t do their homework and they have no idea what they are talking about. They just get up and read speeches that have been prepared for them by the ACTU. Moreover, the member for Brisbane appears to have misunderstood some of the amendments proposed by the bill. These include the amendments relating to the issuing of conciliation certificates. Contrary to the member’s assertions, these amendments will not result in the focus of the commission’s process changing from conciliation. Moreover, the amendments will not compromise the confidentiality of conciliation proceedings.

Secondly, there are the amendments relating to the relevance of the size of the employer’s business. The proposed amendment is not a backdoor method of introducing a small business exemption from unfair dismissal laws. Rather, the amendment recognises the practical reality, which is that large businesses may have more detailed procedures for dealing with human resource management issues. The same cannot be said for small business employers. It is not a big point. Therefore, I cannot understand why you do not understand it. Small business does not have the capacity, as a big business does, to manage some of these issues. Small business is not the same as big business. The member for Bendigo should understand that, in rural and regional Australia, the backbone of the local economy is small business.

Mr Gibbons—I do.

Mr Reith—It is a pity you don’t support them. Those businesses are very important to living standards in your area.

The third area where the member for Brisbane has got things wrong relates to the amendments in relation to compensation for shock, distress and humiliation. These amendments are intended to give effect to the original intent of the provisions, which is that the remedies available are either reinstatement or compensation in lieu of reinstatement. That has been the case all along and that is as clear as day.
Fourthly, concerning independent contractors, the member for Brisbane should be aware that independent contractors were not entitled to a remedy for unfair dismissal, even under the former Labor government’s termination of employment laws, nor was it ever intended that the termination of the employment provisions of the Workplace Relations Act should apply to independent contractors. The amendment proposed by the bill clarifies this longstanding statutory intention.

Mr Bevis—You made a mistake.

Mr REITH—We have not made a mistake. We are making the position clear. You have just got it wrong again, on such a basic, simple matter.

Turning to the amendment concerning demoted employees, contrary to the assertions made by the member for Brisbane, this amendment will not prevent any demoted employee from making an application in respect of termination of employment, full stop.

This is a sensible bill. It ought to be supported by the opposition but they cannot support it because the unions do not like these sorts of bills. We have seen 833,000 jobs created since the Howard government came into office and one of the reasons those jobs have been created is that this government particularly supports small business and small business has been creating the jobs. If you support small business then you will get more jobs. My colleague the parliamentary secretary for small business, the member for Longman, reports from his discussions with small business that this is still one of the big areas of problems as far as small business is concerned. He comes from Queensland, which relies so heavily on the small business community, and has his own experience in small business. He knows that there are still a lot of small businesses out there which say that the system is not fair to their interests. And if it is not fair to their interests then they are discouraged from giving somebody a job.

I would say this about small business: most small business people are trying to do the right thing, and they should be supported. In Queensland, one of the acts of the Beattie government was to take an advantage away from small business in respect of unfair dismissal. That is just a silly policy. To attack the interests of small business is to attack the opportunity of people who are unemployed to get a job. This is a sensible bill. Some of these areas reflect decisions and the evolution of the law since the original reforms were introduced. Naturally enough, we keep a watchful eye on developments in the interpretation of the act. Many of these are fairly technical sorts of changes. They should be supported. But, as I say, the Labor Party cannot support anything. Their policy is: just say no. Even if it is a proposal to provide assistance to workers, that Labor Party just says no.

Mr Bevis—That is not true.

Mr REITH—It is true that the Labor Party has a policy of ‘just say no’ and the Democrats have a policy to freeze any reform. They have had a freeze on since January 1997. If you seriously think that a modern economy can have a freeze on workplace relations reform, then you have no idea of what is necessary to make the Australian economy competitive. We do need to have an up-to-date, flexible system and we do need to be making these technical changes. It is an incredibly stupid policy for the Labor Party to just say no—which is their officially stated policy as far as I understand it: just say no. It does not matter what we put up. It does not matter how good an idea it is.

Mr Bevis—What did we say no to?

Mr REITH—Well, in respect of the employee entitlements scheme. It is a good idea. It is the only scheme around to help workers, and your policy is ‘just say no’. What a stupid thing to say!

Mr Bevis—Which Liberal premier supported it? Tell me one that supported it?

Mr REITH—You want to make political points. We are trying to help workers.

Mr Bevis interjecting—

Mr REITH—Mr Speaker, these rude interjections from the member for Brisbane only highlight the point I make: that, when it comes to helping workers or making a political point, he would prefer to make a political point every day of the week. He, himself, is a former trade union official. When they de-
ceded to get rid of him they promoted him into the House of Representatives, which they do into both the House of Representatives and the Senate. Of the last 20 Labor senators to go into the Senate, I think 18 of them have been former trade union officials. The other two? Well, it must have been a mistake. The unions run the Labor Party, the Labor Party does what it is told, and the people who miss out are workers. This is a good bill. I am sure it will get through the House and I wish it well when it gets to the Senate. I commend the bill to the House.

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

The House divided. [6.08 p.m.]

(Mr Deputy Speaker—Mr H.V. Quick)

Ayes…………… 75
Noes…………… 60
Majority……….. 15

AYES
Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barresi, P.A.
Bell, B.F.
Bishop, J.I.
Cameron, A.G.
Causey, I.R.
Downer, A.J.G.
Elson, K.S.
Fahey, J.J.
Forrest, J.A *
Gambano, T.
Georgiou, P.
Hardgrave, G.D.
Hockey, J.B.
Julie, D.P.
Kelly, D.M.
Kemp, D.A.
Lieberman, L.S.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Moylan, J. E.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Randleson, J.
Schulitz, A.
Secker, P.D.
Somlyay, A.M.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Vale, D.S.
Wakelin, B.H.
Williams, D.R.
Worth, P.M.

NOES
Adams, D.G.H.
Andren, P.J.
Bevis, A.R.
Burke, A.E.
Cox, D.A.
Crosio, J.A.
Edwards, G.J.
Emerson, C.A.
Ferguson, L.D.T.
Fitzgibbon, J.A.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Horne, R.
Jenkins, H.A.
Kerr, D.J.C.
Lawrence, C.M.
Livermore, K.F.
Maclelland, R.B.
McLeay, L.B.
Morris, A.A.
Murphy, J. P.
O’Connor, G.M.
Pliberek, T.
Ripoll, B.F.
Rudd, K.M.
Sciacca, C.A.
Bottom, P.S.
Theophanous, A.C.
Wilkie, K.

* denotes teller

Question so resolved in the affirmative.
Original question resolved in the affirmative.

Bill read a second time.

Third Reading
Leave granted for third reading to be moved forthwith.

Mr REITH (Flinders—Minister for Employment, Workplace Relations and Small Business) (6.12 p.m.)—I move:

That this bill be now read a third time.

I advise members that the Senate is now having a debate on a third reading amendment to the defence bill. We have an accommodation with the member for Calare and the member for Calwell that between them they will have 20 minutes—10 minutes each—which is very generous. Mr McMullan would
have given them 15 minutes each but I would not because I knew you wanted to get home. There will be some time for the bill to be transmitted back to the House.

Honourable member—How long?

Mr REITH—I cannot give you a time on that but we hope that it will be sooner rather than later.

Question resolved in the affirmative.

Bill read a third time.

TELECOMMUNICATIONS (CONSUMER PROTECTION AND SERVICE STANDARDS) AMENDMENT BILL (No. 2) 2000

Cognate bill:

TELECOMMUNICATIONS (UNIVERSAL SERVICE LEVY) AMENDMENT BILL 2000

Second Reading

Debate resumed from 29 June, on motion by Mr McGauran:

That the bill be now read a second time.

Mr WILKIE (Swan) (6.14 p.m.)—If this legislation, the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000 and cognate bill, proves anything, it is that the government remains ignorant about the consequences of the Telstra privatisation. If the enormous uproar from regional Australia concerning declining standards of service provision were not enough, the questionable benefits of the privatisation process itself should be. Let me first state that the Labor Party does not totally oppose this legislation, but we have significant concerns that relate to the standards of service provision, particularly to regional areas, as well as the government’s whole behaviour concerning Telstra. In its incessant attempts to dispose of the asset, it is ignoring many important points. Without proper consultation and trial of any universal service obligation, problems could emerge for the anticipated 80 per cent of our land mass covered by this legislation. Therefore, I ask all members of this House to support an independent review of the arrangements. I add that constituents in my electorate of Swan have already indicated to me a preference for Telstra to remain the primary universal service provider—a view I endorse.

This legislation essentially overhauls the existing universal service obligation system for telecommunications in Australia. These bills are undoubtedly inspired by the government’s crafty attempt to convince Australians that privatising the rest of Telstra will be good for them. The measures and provisions contained in this legislation indicate the direction in which the government would like to move. But any considered analysis of this position reveals the abject lack of understanding displayed consistently since the day they came to power. The sale of the government’s telecommunications infrastructure, if it must be done at all, should always be a delicate and thoughtful operation. Unfortunately, the Howard government has done nothing but botch it from day one. It is the government’s incompetence that has caused the taxpayers of Australia not only to lose one of the greatest revenue sources this country possesses but also to have very little to show for it.

Currently Telstra handles over 11 billion calls per annum. In fact, in 1999 11,190,000,000 calls were made solely to the local network through the 2.8 million kilometres of optical cable. Customers used the customer service centre at a rate of one million calls per day. Telstra frequently comes under criticism for its services but under federal ownership can boast that it has a fully digital network with 8,600 access sites covering 200 digital nodal stations. All this means that 50,700 staff are gainfully employed, resulting in operating revenue of $18.6 billion. Operating expenses were $13.3 billion. I note also that there has been a reduction in staff of almost 2,000 over the last 12 months.

The background to this legislation lies in the sorry saga that is the sale of Telstra shares in two tranches during 1996 and 1999. When one considers the Australian experience with Telstra, one finds that the whole process was mismanaged from the start. In 1996 Australia’s telecommunications market was slowly being opened to the benefits of competition. The duopoly system, where Optus had been introduced as a competitor to Telstra, had
proved a successful exercise, and further liberalisation of the market—the introduction of further licences and the opening up of the local call sector—was indicated as the logical progression. However, the Labor government of the day believed that it was important to keep Telstra as a public sector instrumentality.

Australia is a large nation with vast distances to bridge. Therefore, the cost of providing telecommunications services to regional areas is expensive in comparison to other markets. As a publicly owned company, Telstra would be able to ensure service provision to these areas without the conflict between profit and obligation that would obviously occur with private providers. Telstra would also give all Australians access to the latest technology without subscribing to a venal user-pays philosophy. Most importantly of all, Telstra’s annual contribution to government coffers proved both the success of the system and the necessity of keeping the company in government hands.

Unfortunately, the Howard government came along and sent in the bulldozers and the wrecking ball. The government made no secret that it wanted to sell all of Telstra as quickly as possible. Such was the government’s preoccupation with the sale of Telstra that it forgot some basic economic theory along the way. The government salivated over the prospect of handing out relatively minuscule share packages to ordinary investors so much that it ignored an important point. Many members would be familiar with the work of two economists, Modigliani and Miller. These individuals won the 1958 Nobel prize for economics. Their paper clearly demonstrated that the value of a company depended only on total earnings, not the proportion of earnings paid out in dividends. But this theory went out the window with Telstra. The government would apparently make far more money from the asset sale than keeping the earnings as a solid revenue stream in years to come. The government has even gone so far as to criticise the Labor Party for using the total earnings theory when analysing Telstra. Telstra’s record profits, approaching $4 billion in 1999-2000, are seemingly much better utilised going into the pockets of the very wealthy rather than into the infrastructure coffers of government. What a joke!

This woolly thinking was highlighted by an article entitled ‘Long exploded fallacies of privatisation’ by John Quiggin in the Australian Financial Review of 4 May this year. The article also provides an indication of the grasp of economic theory of the Minister for Finance and Administration on this issue. It states:

As Finance Minister, one might suppose that Fahey could get all the economic evidence he needs. Unfortunately, the Finance Department lags a bit when it comes to absorbing the latest economic developments.

In 1996, the Department’s expert witness, advocating the first partial sale of Telstra, confessed that he had never heard of Modigliani or Miller. He consulted with some junior staff, who advised him that the Modigliani-Miller analysis was an ‘academic theory with no practical relevance to the real world’. I find that to be quite extraordinary. Here is a Nobel prize winning economic theory, one that should always be considered when the decision to privatise is made, and the people in the Department of Finance and Administration responsible for the Telstra sale had either never heard of it or casually disregarded it. What a pathetic demonstration of the government’s in-depth research of privatisation policy.

As a result, the first tranche of Telstra shares was massively undervalued. The total value of the Telstra 1 sale was $14 billion, less than half its market value. So not only did the government not consider Telstra’s total earnings to be important but when it did float the 33.3 per cent in 1996 Australians were deprived of an extra $14 billion. That was revenue that could have been used to benefit all Australians rather than the already extremely rich, who snatched up the majority of Telstra shares.

The government has not used the proceeds of the Telstra flog-offs to the best advantage either. Rather than constructive infrastructure projects and injections of funding where it is needed most, where has the government elected to spend the money? On wasteful and extravagant pork-barrelling exercises. If the
government’s environmental package in 1996 was not a prime example of this, I do not know what is. The fact that the full amount of money has never materialised for this purpose only adds to the scandal. Of course, once that avenue was discredited, the government turned the sale proceeds of Telstra 2 shares to funding massive election promises in regional areas. Consequently, the proceeds of any further sale of Telstra will most likely go into bribing electors in the country to vote for the government rather than using the revenue to its best advantage. Most people in the country realise that, once these pork-barrelling exercises are finished and the money has dried up, there will not be anything else left.

Now we find ourselves with a rather chaotic telecommunications market with very little firm policy direction and a semi-emasculated Telstra straddling the line between government obligation and shareholders’ desire for profit. The government, seemingly incapable of taking any blame for the present situation and well aware that its rural constituencies were screaming blue murder at it, scrambled around for something that would assure people of their commitment to telecommunications services in regional Australia. Salvation was found in the question of service provision, particularly for rural areas. After the regions hollered loud and long about the declining standards of service provision that the government had foisted upon them, we were introduced to a brand-new concept. This was the universal service obligation, which ensures the provision of a minimum standard of telecommunications in regional areas. This is a worthy initiative, but its very existence may be jeopardised as we see the worrying signs about the future of Telstra in this government’s hands.

Why is the government using statutory, rather than regulatory, means of controlling the standard of telecommunications service? The answer is really quite simple. It wants to give up the government capacity to oversee service provision and meekly hand it over to companies which are more concerned with making a profit than ensuring a high level of service in regional Australia. As a result, we have the USO, which is really a desperate attempt to appease rural voters who simply do not want Telstra sold off. They can see that telecommunications services, which are so vital to their livelihoods, will completely disintegrate if the system passes into private hands. The universal service obligation reminds me of a finger in a dyke wall trying to stop it from collapsing. It is a good initiative on the surface, but what happens when the dam bursts?

Whilst innocuous enough on the surface, when one penetrates that surface to the core of this legislation one discovers a dark heart. The bills refer to the division between a primary universal service provider and a competing universal service provider. A primary universal service provider must provide all the equipment, services and goods in order to fulfil the universal service obligation. But a competing universal service provider can then provide the same services but move in and out of areas pretty much as it chooses. This strange dual system reveals what the government has been denying for some time. Clearly the only entity capable of being a primary universal service provider anywhere in Australia is Telstra. Having realised this, to its horror, the government has attempted to build the new universal service obligation regime around Telstra, pushing it into the background as a ‘default’ provider whilst attempting to convince private companies to compete with it in regional areas.

As I mentioned earlier, the cost of providing telecommunications services in Australia, particularly regional Australia, is prohibitively expensive for private companies. This basic fact does not deter the government, which seems to want to hand out enormous subsidies so that its beloved private sector can survive in the regional market. That the government wants to do this reveals two things. The simple fact is that Telstra is in a unique position to provide the universal service obligation. Much as the government may want it to be otherwise, Telstra is the only provider capable of meeting it in rural areas. The chief reason behind this is that only Telstra is large and diverse enough to finance loss making regional services and still record a healthy profit due to activity in
other areas. Any other company would find it impossible to run regional telecommunications services at a profit.

Still the government forges blindly on. Large subsidies to help pay the universal service obligation reveal the hollow nature of the government’s competition scheme. Why would the government be prepared to do this, unless it had a darker objective which it wanted to cover? On consideration, the desperate drive for private competition means that the government has one result in mind—the removal of government from the provision of telecommunications services to regional Australia. Let us make no mistake: these bills establish an apparatus for the sale of Telstra’s regional services. The government may state that it has no intention of doing so, but the very fact that it wishes to saturate the ‘telecom’ market with universal service obligation subsidies and other incentives is enough to make the Labor Party very, very worried.

Despite all of this, the government continues to trumpet its supposed achievements in improving the quality of service provision by Telstra post privatisation, particularly in regional areas. If that is so, why is regional Australia so worried about the further sell-off? According to the government’s logic, a fully privatised Telstra would mean better services for everyone. What a fallacy! The people of regional Australia know a recipe for disaster when they see it, and this is it. They can see that all the government is doing for them is using the Telstra sell-offs to fund extravagant election promises and that, when Telstra is gone, there will be no more money. This is an important point. The government is forever trying to reassure the people of Australia that the proceeds from the Telstra sale are being used to retire debt. What will happen when there is nothing left to sell? Not only has the steady revenue flow that once was there disappeared; debt levels are still increasing and the much vaunted ‘share owning democracy’ has concentrated private ownership even further. Not for the first time, the government has put its ideological prejudice before measured decision making and sound fiscal policy.

In conclusion, the Labor Party supports this legislation with certain caveats. The amendments circulated in the member for Perth’s name, which will be formally moved at a later time, are crucial to good public policy. They prescribe a ‘safety first’ approach to critical infrastructure, and at least they attempt to illuminate the maelstrom that is Australia’s telecommunications market and provide some certainty. But the Labor Party vehemently opposes any further sale of Telstra, in explicit fact or by implicit stealth. For all the rhetoric and soothing noises made by the government, there can never be any cast-iron guarantee that service provisions, especially to regional Australia, will not deteriorate in private hands. To remove Telstra as the primary service provider will, in my opinion, jeopardise this. Evidence from respected national and international sources points the way forward when one considers privatisation. The process should not be treated as something to be promoted wholesale but rather be treated on a case-by-case basis, backed by sensible economic analysis. That is where the light of the future lies. Tragically for Australia, when it comes to this government all we get is irrational blundering in the dark.

Mr HARDGRAVE (Moreton)  (6.31 p.m.)—I rise tonight to speak on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000. I had not heard the member for Swan speak on these matters before, and I welcome his contribution to the debate. I do not know whether they were his own words or whether somebody in the member for Perth’s office wrote them for him—either way I am looking forward to seeing them in the Hansard and I will circulate them broadly. The contribution from the member for Swan was almost cartoon-like. If this is representing the view of the Australian Labor Party, I am surprised how troglodytic it has become. Labor is so far out of touch on the matter of communications—telecommunications, in particular—in this country, evidenced especially by the contribution from the member for Swan.

The member for Swan quoted a number of apparently ‘great’ economists—I take his word for it. Although most of us on this side
tend to disregard anything from the front-bench. I suspect the backbench are straightforward enough to give a correct assessment. He mentioned Modigliani and Miller, Nobel prize winning economists from the 1950s—from 40 or 50 years ago—which is terrific! I am surprised that the member for Swan did not quote that other great economist from earlier this century, Karl Marx, whose theories are now so well regarded and are held in such high esteem that there are only two or three countries in the world that still subscribe to them. There are always difficulties with coming into this place and putting on the national record the views of economists. Being somebody who has studied economics, I understand well that economists are people who can tell you tomorrow why what they told you yesterday did not happen today. The other great one-liner is that an economist is somebody who would marry someone like Elle McPherson for her money. So economists are not necessarily in complete touch with reality. I am also very concerned about the notion that simply citing a $4 billion profit out of the Telstra organisation this year is some justification for not proceeding with the continued privatisation of Telstra. I hope—and I am sure that all on this side hope—that the completed privatisation of Telstra will come in time.

I found another curious idea in the member for Swan’s address. The member for Swan has laid out one side of the ledger; he has talked about what you get from Telstra in a return sense but he does not talk about the cost side of things. He talks about the income but he does not talk about the outgoings. And doesn’t that sum up the way the Australian Labor Party run economics and have run economics in this country! They are big on spending, but they do not understand where the money comes from. They do not understand that the partial sale of Telstra retired so much of the debt that clocked up over the 13 years under Labor—in fact, it particularly clocked up during the last couple of years of the Labor years. Labor does not understand that the debt repayment we have made has started to arrest the cost to budget of almost $10 billion a year in interest payments. To have the member for Swan come in here and say, ‘We shouldn’t have sold Telstra because this year we could’ve banked $4 billion,’ forgets that if we had kept Telstra and banked $4 billion we still would have paid out $10 billion. So the member for Swan’s economics—and I believe his speech was written and authorised by the member for Perth or somebody in his office, using strange economics—implies that getting $4 billion is great; do not worry about the $10 billion you have to pay out, even though you are $6 billion behind. This year alone there are six billion reasons why selling Telstra was not a bad idea.

Of that $4 billion, $2.3 billion came to the government coffers. I am hoping that over time, as the troglodytes escape this particular argument and surrender to reality and stop dealing with old theory from 50 years ago or the Karl Marx theories of 120 years ago, they might start to realise that there is no point in government holding on to the ownership of an organisation in telecommunications. There is no point to it at all. The bills before us today deal with the sense of certainty that all consumers can anticipate and that has been delivered. The universal service obligation is a statement from government of an ongoing commitment to ensuring that there is a ‘service and more’ for consumers. If the consumers can get that ‘service and more’ because competition between providers of the universal service obligation means that they are offering more than Telstra used to and if technology is assisting them in that aspiration, then that is another good thing.

I suspect that the member for Swan and the Australian Labor Party do not understand where regional Australia starts or what regional Australia is, while we on this side, because we represent regional Australia, certainly do understand. Perhaps the member for Swan has never heard of the aspirations of the Cable & Wireless Optus group or the Farmwide-Heartland group and the way that they want to use that infrastructure floating above us—that is, the satellite systems that are up there—to provide not just a phone service but also access to a wide variety of other services: high speed Internet access, the downloading of information data and multichannel pay TV, which could be delivered inside 12 months once these matters relating
to universal service obligation are delivered upon.

If the Australian Labor Party believes that telecommunications are two pieces of copper wire stranded between trees—dead trees, live trees—and telegraph poles and along fences, then I suppose that justifies the speech we have just had from the member for Swan. But I have some news for the Australian Labor Party: the old days of the two strands of copper wire are disappearing. They have essentially disappeared in the minds of most people and they are going to disappear from the minds of more and more Australians because there are so many other technical possibilities, thereby making available innovation and a range of possible services for Australians.

The other thing which needs to be talked about in regard to the partial sale of Telstra is the realisation that $50 billion out of the $90 billion of accumulated debt has been repaid by the government’s deliberate procedure of looking at what can be sold and what can be traded in for cash to repay Labor’s debt. So the money that has gone to the Natural Heritage Trust, the money that is now assisting the rectification of the great environmental problems in our country, such as the salinity of our soil, and the money that is going to provide additional infrastructure to fix up black spot television reception in rural and regional areas, all became available because of this government’s proactive ability and understanding of telecommunications. Do you think the government would have sold off anything if the two strands of copper wire argument was still alive? No, it would not have. Because the two strands of copper wire argument, the Telstra only badge idea, is no longer a relevant argument to those who really understand the subject, there is no danger at all to consumers. In fact, there is nothing but great advantage to come.

I guess the motivation of contributions from the people opposite is that the telecommunications unions like government ownership of the telco and do not like the concept of competition which delivers great new services to people but demands new efficiencies and activities from those who are involved in the industry. So, again, the nexus of the trade union movement and of the Australian Labor Party has already been proved in the speech given by one person opposite and, I am sure, will be followed by the great style of the member for Perth and his down-in-the-mouth approach to telecommunications.

Far from being chaotic and far from being emasculated, Telstra has been released from its mothballed government ownership approach and is now vigorously competing against the many other telecommunications providers in this country, not just those with infrastructure of their own but also the aspirants who want to offer a range of access. There are now 25 or 30 different companies offering services far and wide. That in itself proves the point that, far from emasculating Telstra, in fact we have liberated it from itself; it has reinvented itself and taken it upon itself to be such a vital and vibrant organisation that it turned in a $4 billion profit this year, which can rightly be tagged against the fact that the liberation that was afforded Telstra by this government has delivered results on the ledger.

As for selling off the rest of Telstra, one can only imagine that there would be plenty of economic theorists around who would project a great advancement in that level of profit, a great set of possibilities, a great improvement to the level of competition and the results which come from that in this sector. We are also dealing with a growth sector which is at the heart of the future, which is connecting all Australians in ways never perhaps imagined a few years ago by those two economics Nobel prize winners, Modigliani and Miller, and certainly not by Karl Marx in the late 1800s. We have here a vital sector which is growing and becoming as important as the ocean was to Magellan hundreds of years ago. This is the voyage of discovery on the telecommunications sector infrastructure. Everybody is plugging in, turning on and getting involved in it. To make it available to those who wish to pay money for it, to pay off debt accumulated by bad economic management from previous governments is, of course, a very sensible way to go.

This legislation is in part dealing with setting a deal of certainty—the pro rata regime that will affect the cost of the universal serv-
ice obligation, the balance between providing the services in the city and the bush; the city and non-city areas. It will ensure that information is achieved and obtained in a timely way from the telecommunications companies involved. It will ensure that there is a review of the universal obligation regime to make sure that it is up to date and up to the minute—unlike the Australian Labor Party—and that review will take place in three years time. It requires disclosure by the Australian communications authorities of the carriers’ activities and cost structures. And so it is all about openness. This place should welcome this legislation. Far from trying to move amendments and far from being down in the mouth about this vital growth sector of our economy, this voyage of discovery on the back of the telecommunications infrastructure sector that we have, this government is all about encouraging it, encouraging competition and all the possibilities that come from it.

There are some issues that affect consumers. Some consumers in my electorate have been affected by matters to do with mobile phone tower facilities. The proliferation of infrastructure to do with mobile phone towers is a matter of concern to some in metropolitan Australia, and understandably so because the mobile phone companies have been working very hard to try to get out as much of their infrastructure in catering for the great number of Australians who want to have access to the range of telecommunications services being offered by the range of telecommunications companies.

I have had a few words in this place about these matters. I think it is only right—because I believe that what you say in this place has to then be proven to be consistent—to put on the record my appreciation of the efforts of Senator the Hon. Ian Campbell, who is the Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts, Minister Alston. Senator Campbell has taken on board my concerns on behalf of my constituents about the way these various mobile phone carriers have been conducting themselves in the rush to get infrastructure out. Senator Campbell has helped to form a national carrier coordination group, which means that we now have seven or eight of the mobile phone carriers in this country, including Telstra, Optus, Vodafone, AAPT, One.Tel—I was especially critical of One.Tel a few months ago—and others meeting together.

The group has met on a couple of occasions now, firstly in Perth and more recently here in Canberra. What this group is about is getting a response from an industry, understanding that, as far as their conduct is concerned, they do have to meet certain community and consumer expectations. They are now working on a state by state basis to develop a formal code to support the government’s legislative requirement for the co-location of mobile telephone facilities. This means that we will not see towers springing up all over the place, but we will see them, rightly, located in certain areas, with the one tower being used for a number of different organisations.

Mr Horne interjecting—

Mr HARDGRAVE—The industry has also agreed that local governments will be informed of all mobile phone facilities for installation of both low and high impact facilities. The industry forum that has been formed by the Australian Communications Industry and the national carrier coordination group will certainly specify best practice in this particular area to make sure that design, installation and operation of radio communications infrastructure meet community expectations. These expectations are understandable and are matters I have raised here.

I congratulate the industry on responding to some pretty big hits that they have taken from government members representing their constituents well on this issue. It will be only a week or two before this code is developed. The industry needs to perform properly. We on this side of the chamber are always willing to offer them some guidance in a legislative sense, but I think they have got that message. They understand that we are quite serious about getting the right results in our local areas as far as infrastructure is concerned, just as we as a government are very determined that we are going to get the right results as far as consumers are concerned.
I know that one should always ignore interjections, but the member for Paterson offered a couple of observations earlier about the need for more infrastructure in his electorate. I suspect that the more the government sells of that big lump of infrastructure called Telstra the more likely it is that he will get more infrastructure in his own electorate. I remind the member for Paterson that already results are coming to rural and regional Australia as a result of the government’s liberation of those funds. Money has been turned into repaying debt, and it has also been deliberately turned into ensuring further facilities and more possibilities are made available for those who live in rural and regional Australia. And quite rightly so.

The most sparsely populated countryside in this nation—those areas in those very far-flung corners of Queensland, Northern Territory, Western Australia, South Australia and New South Wales—need some specific help. This government is also looking at all the various possibilities that are coming out of the exciting collection of telecommunications carriers. The government is welcoming that competition of ideas and possibilities. Even areas like the member for Paterson’s area, which I understand is west of Newcastle, is a nice part of the world from what I understand—

Mr Horne—Beautiful!

Mr HARDGRAVE—He says that it is beautiful. Even areas like that, which surprisingly do not have as much coverage as they would like, will find that along the major highways there will be telecommunications infrastructure and mobile phone infrastructure that they never had a few years ago—and paid for because this government is turning the value of our telecommunications giant, Telstra, into something that can realise these ambitions for constituents in the member for Paterson’s and others’ electorates around Australia.

To sum up, this government recognises that there is now a range of telecommunications providers in this country. It understands and realises that people in even the most far-flung corners of this country want to have access to the information superhighway and to a reliable phone service. The government understands that people want that to be at an affordable price and that they do not want to be in a technical backwater any more. It has to be afforded, and that is why the sale of Telstra, and the continuation of that process, is very important. This bill, with its universal service obligation, demands outcomes from those who may provide that service. It demands certainty for consumers, and it also shows that this government is prepared to put money into making sure that consumers get what they expect and that carriers provide what they say they will. I commend the bill to the House.

Mr ZAHRA (McMillan) (6.51 p.m.)—I welcome the opportunity to participate in this cognate debate on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000, and the Telecommunications (Universal Service Levy) Amendment Bill 2000. I will respond briefly to a comment made by my colleague the member for Moreton in this debate. He suggested to the member for Paterson that the more of Telstra that is sold off, it would appear— and this is backed up by so much evidence—the lower the level of service that people in rural and regional Australia get. The more Telstra is privatised, the lower the
level of service that people in my constituency and that of my colleague and friend the member for Paterson get. There is plenty of evidence to support this. Both of the previous speakers spoke a little about economics. Being an economics graduate, I am going to hold myself back from going too far down the path of making comments about the various strengths or weaknesses of the two economists mentioned by the member for Swan and the member for Moreton. The member for Swan mentioned Modigliani and the member for Moreton mentioned Karl Marx, of all people to reference. I would mention briefly here in my contribution that great American economist Bob Reich who says, essentially, that the two greatest assets a nation has in a globalised economy are its people and its communication and transport infrastructure.

I could not agree more with that proposition. What we are talking about in the context of this debate is very relevant to that single proposition he put. We cannot be a nation that succeeds in a globalised environment unless we have a wonderful institution like Telstra driving the new economy for us, making it a success for all Australians, not just for those people who live in the capital cities. We need an institution like Telstra to make sure that the new economy comes to every part of Australia, not just to the inner cities. There is plenty of evidence and plenty of stories that I am sure all members of this House could talk about, especially those who represent rural constituencies, as I and the member for Paterson do—and I notice that the member for Groom is in the House as well. We have all heard those stories about how, over the last little while, there has been a significant downturn in the level of service that people have been getting from Telstra.

I have a couple of examples that I think are worth making reference to in the context of this debate. Peter from Moe—and I will not mention his surname here because I do not think it is appropriate—had a situation where the phone of his neighbours, who are quite old, went dead. He gave Telstra a call and was told that in probably three or four days they would get around there and be able to fix the phone. His elderly neighbours have serious medical conditions and, despite that fact, Telstra still provided that advice to them. I do not blame the Telstra workers for this. I know many of the Telstra workers in my constituency; I went to school with quite a few of them. It is not their fault that they could not fix that fault more quickly than in three or four days. It is simply a resourcing problem. When you have that nexus of profits versus service, when you have a responsibility first to shareholders, then, of course, profit will win out every time. And that is exactly what we have seen in my constituency.

Ron from Longwarry, a small country town in the west of my constituency, got in touch with us about a similar problem. His neighbour’s phone went dead as well. He called Telstra and was advised that it would be 10 days before they could even look at it. His neighbour is 79 years old. When people are that age, and especially when they live in rural and regional areas—and in particular some of the smaller country towns like Longwarry—they need that phone. That phone is literally their lifeline. If there is an emergency or something happens to either them or a member of their family, they cannot just run out into the front and yell out to someone who might be driving up and down the road to give them a lift to the hospital. There might not be too much traffic that goes up and down the road at the front of their house, and often the hospital, in the case of Longwarry at least, is at least 20 minutes drive away. So this is a serious issue and 10 days is not good enough. There was a time when it would have been less than 10 days, and it was not that long ago.

The phone of Betty from Cora Lynn, which is a small district in the west of my constituency—a beautiful area—did not work for five days. Five days in a place like Cora Lynn without a telephone is not something to take lightly. Cora Lynn is a district rather than a town, so I am sure that Betty was living out on a rural property. When you live out in places like that—and this is difficult to convey to members in this place who do not represent rural constituencies—you basically have the telephone and you have the television as ways of getting information. But you
cannot get information out through the television. The only way you can put out a call for help or send up a flare if you need something is by using a telephone. In the case of Betty from Cora Lynn, five days is not good enough.

Ron from Traralgon moved into a new house. He says here that he is reasonably old and is on a disability support pension. He was told he would have to wait two weeks just to have his phone connected and that he would have to pay $120, too. For a bloke in that situation who is not a young man any more, going for two weeks without a telephone when you are on a disability support pension is not good. You need to get hold of people. You need to be in touch with people who are providing you with medical or other community health services. You need to be able to get hold of those people quickly and they need to be able to get hold of you. Two weeks is not good enough. This is going on right now. Frank from Traralgon was told that he would have to wait at least two weeks for the connection of a phone service to his house as well.

So these are just a few small examples. I always find in contributing to debates on various bills in this place that it is always important to mention real life examples and not just talk about high policy or any particular academic or ideological aspect of a bill. I like to talk about the real situation as it affects people in my constituency and in the nation more generally.

I do not believe that right now Telstra is fulfilling its obligations to the people of rural and regional Australia. I sincerely believe that Telstra has reduced its level of service over the last four or five years. In the case of Gippsland—the region that is represented in this place by both the member for Gippsland and me—there has been a substantial reduction in the number of Telstra employees. We do not have the exact figures, but it is reckoned to be in the order of 150 jobs over the last four or five years. These are not people who are pushing paper around on a desk; these are the people who go out and do the work. They are the ‘linees’ and the ‘techs’ and all those people who go out and do the work and make sure people get connected and get good levels of service. So for these people to lose their jobs in an area as vast as Gippsland is significant, and it has regional job implications for us as well.

I will give an example of a situation in my constituency which demonstrated how blase Telstra is when it comes to its obligations to the people of rural and regional Australia. The people of Yarragon, which is a country town almost smack bang in the middle of my constituency, have gone through difficult times over the last five or six years. The dairy factory there closed down, and they went through a period where they stood to go through an economic downturn for quite some period of time. They pulled together and rebuilt that town. They really founded it on tourism through their hard work and endeavour. The Yarragon Traders Association working in conjunction with Baw Baw Shire Council proved to be a very effective team in rejuvenating the town and ensuring that it had a positive future. All that they asked from Telstra is that it relocate the public phone in the town. I would not have thought this was too much to ask—pretty reasonable, especially considering that all the hard work of rejuvenating the town had already been done by the Yarragon Traders Association in conjunction with the Baw Baw Shire Council. I have written three or four letters to Telstra in relation to this issue, and I keep getting pretty much the same response: if the phone is going to be moved, even though it is not in an appropriate location in that town, then it will have to be funded by the people of Yarragon, namely, the Yarragon Traders Association. The town is not enormous. I think there are fewer than 1,000 people living in Yarragon. The phone is very important to them in enabling them to market themselves as a tourist town. All they are asking is that the existing phone be moved to a more central and appropriate location. Telstra, not prepared to make an investment in a place like Yarragon, has just ruled it out point-blank. I think that is testament to the attitude that Telstra unfortunately still has with respect to rural and regional Australia.

I mentioned the job impact of Telstra’s service levels in rural and regional Australia. In places like Morwell in my constituency,
we have no more jobs to give in the national interest any more. We have given enough jobs in the national interest. I think most members of this parliament would be aware that, over a period of six or seven years, the Latrobe Valley went from having about 12½ thousand jobs in the power industry to having about 2½ thousand jobs in the power industry. That was done in the so-called national interest, despite the fact that there were all sorts of promises made to us that things would get better after we suffered that pain in the national interest. So when I hear members on the government side say that if we privatisé Telstra further, that if we go down this path then it is in the national interest and all the rest of it and that there will be benefits to regional areas such as the electorate of Paterson and my own electorate, I find it very hard to believe, especially when they are asking us in the McMillan electorate to cop the closure of the Telstra customer call centre in Morwell. As I said, we have no more jobs to give. The unemployment rate in Morwell is 18½ per cent and the youth unemployment rate is about 35 per cent. So the loss of those 70 or so jobs in Morwell would have an enormous impact on the electorate that I represent.

I do not think it is good enough that people expect us in the Latrobe Valley to cop a little bit more pain in the national interest after all that we have already done. Telstra did have an opportunity to put something back into the Latrobe Valley, after all that we have done in the national interest, by placing one of its so-called mega customer call centres there, which would have created about 350 or 400 jobs. For a variety of reasons, none of which I think are good, Telstra has decided not to go ahead with that. It is a real shame because a place like the Latrobe Valley would have really benefited from having the injection of that number of jobs. We really need those jobs. Unfortunately, so small was Telstra’s commitment to our region, it not only did not allow us to get the new development—the customer call centre; the mega call centre, as Telstra calls it—but it is also actually intent upon closing our existing call centre. I think that is a real shame and a real missed opportunity which says a lot about the way Telstra operates now—being, as it is, one-third privatised. Obviously, the only way Telstra can be effective in terms of returning profits to shareholders is for it to ensure that profit comes first and service comes a very distant second.

In the context of this debate I would reiterate that, whilst it is all well and good to talk about competition, we need to ensure that competition does not create perverse outcomes, as has obviously been the case in the Latrobe Valley in the past. We need to take more than just an ideological view when we consider the provisions of bills such as the one we are considering right now. I mention that because I honestly believe that the government are taking a purely ideological view on Telstra. They are determined to sell it off. Ideologically, that is what they want to do. Once upon a time, we could count on some of the good-hearted men and women in the National Party, or their predecessors in the Country Party, to stand in the way of Liberal Party attempts to gut the infrastructure in rural and regional Australia. Sadly, I do not think that that is the case anymore. We now have the farcical situation where the government have established an inquiry to look at service levels. If the inquiry reports: ‘Service levels are all right; we can go ahead with the privatisation,’ they will do it, while at the same time publicly stating that they are going to go ahead with the privatisation despite the recommendations of the inquiry. It is a bit like a scene from Yes, Minister where the government establish an inquiry knowing full well what their actions are going to be—irrespective of the outcome recommended by their committee. The only difference between this government and the characters in Yes, Minister is that the government have been a little less subtle than the characters in Yes, Minister who usually would have kept secret their planning for ignoring the recommendation of the committee and going ahead with their own agenda. In this case, it is out in the open already. We know that the government are determined to privatisé the rest of Telstra and that they have set up this sham inquiry to make a recommendation which we all know is going to say: privatisé the rest of it. I must say this is one of the more farcical situations that I have experienced in my 11 years in politics.
In my view, it just goes to show the approach of this government, in particular the National Party, to rural and regional Australia. They have the old Country Party thinking when it comes to rural and regional Australia. They are not about empowering regions; they are not about allowing regions to establish their own competitive advantage and succeed in a globalised world. They are about getting large chunks of largesse and throwing it at a regional area and expecting people to be so impressed by whatever it is they throw at them that people will vote for them at the next election. They have that old Country Party mentality when it comes to rural and regional Australia. For us, it means that we do not get any serious consideration from this government. They think that we will be so easily appeased that they will be able to do what they did with the proceeds of the first third of Telstra where a very large pork-barrel fund was established and the funds sprinkled around a number of marginal constituencies which they had decided they needed to hang on to or try to win in the future. This is not our approach to rural and regional Australia. Our approach is to truly empower the regions so that they can develop their own competitive advantages to compete effectively in a globalised economy. Unfortunately, the National Party, along with the Liberal Party, think that we in rural and regional Australia will respond to their very base bribery when it comes to the provision of telecommunications services. I have got news for the government: that is not the approach that people want to see in rural and regional Australia.

Mr IAN MACFARLANE  

—I thank the member for McMillan for his contribution—inrelevant though it was. I have heard some interesting discussions about bills in this House, but never have I heard from that side of the chamber a debate that actually contradicts the report from the Australian Communications Authority which, in its last report, said that Telstra’s service standards have improved significantly over the last 12 months.

I am amazed that the member for McMillan, as a person who has done economics, does not understand the terrible predicament that Telstra now finds itself in—that is, that it is a commercial corporation trying to compete, with one arm tied behind its back, against some of the biggest telecommunications companies in the world. It is not able to float; it is not able to raise capital on the share market; it is continually subjected to political innuendo and, at times, interference. Yet, he tells this chamber that the best thing we can do for Telstra is to keep it in government hands. I have to say in all honesty that I have never seen a government or a politician run a business better than a businessman or a businesswoman. The member for McMillan argues about issues that relate to real life experiences in the bush. I would suggest, humble though I am, that my life experience in the bush would be substantially more than his.

Mr Fitzgibbon—Only because you’re older.

Mr IAN MACFARLANE—There is nothing like experience, member for Hunter. Perhaps when you are my age, you will have some too. The issue in this case is that people say that the service they are getting from Telstra is worse than they have ever had—what rot! Fifteen years ago I had a black phone, with a handle on the front, that would have taken up almost all of this desk.

Mr Fitzgibbon interjecting—

Mr IAN MACFARLANE—The member for Hunter shows his ignorance of how the USO works. I will explain it to him in detail as I go through the bill. But the reality in the bush is that not only are the service levels improving but also the service content. Where that black phone once stood, now sits a computer hooked up to the Internet. The sorts of advances that we have made in telecommunications in regional Australia in the last 15 years are astounding. Some of those
trials are going on in my electorate. The fact that the member for McMillan and, I suspect, the member for Hunter and most of their colleagues do not understand how the USO works is apparent not only from their recent interjections but also by the comments of the member for McMillan. The USO covers the issue of profit. It takes profit out of the equation. We already know that services in the bush are unprofitable. We already know that the reason we have a USO is that those services have to be subsidised. They have absolutely nothing at all to do with Telstra wanting to run at a profit for whatever motive.

The thing that I found the most curious about the member for McMillan’s speech was that he apparently was arguing, from this side of the chamber, that someone needed to light a fire under Telstra to get it to improve its service. This legislation is about just that. It is about giving Telstra some competition. It is about making sure that people out in the regional and rural areas of Australia have some choice, that they have someone to go to if they are not satisfied with the service that Telstra is offering. I thank the member for McMillan for his strong arguments in support of this bill.

In speaking in support of the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 1) 2000 and the Telecommunications (Universal Service Levy) Amendment Bill 2000, I would like to draw the attention of the House to the potential benefits that this legislation has for rural and regional Australia. The provision of telephone services in regional areas such as the fine electorate of Groom, which I represent, has always been under a universal service obligation. That universal service obligation is provided through one telecommunications provider, namely, Telstra. Therefore, Telstra has operated until now as the sole recipient of the subsidies for servicing uncommercial areas.

The Telstra monopoly has severely restricted choice for telecommunications consumers and has come about due to a lack of contestability with regard to the USO. The passage of this legislation will result in many benefits, including two universal service obligation contestability pilot schemes. One of those pilots happens to involve telephone subscribers in my electorate, in the towns of Toowoomba and Clifton. After the passage of this legislation, residents of these areas will look forward to a wider choice of telecommunications providers, and thus a wider choice in the provision of telecommunications services. Access to additional telephone service carriers is enabled through carriers other than Telstra now also being able to obtain subsidies for the provision of telecommunications services in Toowoomba and Clifton through the USO. These pilots will ensure competition and delivery of universal service obligations and will bring about an improvement in telecommunications service, quality and standards. This is a far more effective and sustainable way to bring about better telecommunications services than relying on the use of legislation alone.

Under the pilot scheme, telephone customers will be able to choose whether or not they stay with Telstra—and Telstra is certainly out there meeting this challenge with its recently launched Countrywide Program—or switch to another carrier. This will bring some healthy competition into the telephone service market in regional areas and push Telstra to provide even better service for its customers. It is a pity the member for McMillan is not here to listen to those words, but I am sure that he understands, as an economist, that competition brings about an improvement in service. It is clear that the federal government initiative will deliver regional and rural communities a wider choice of service providers and service, greater innovation, better quality of service and, most importantly, lower prices.

Another thing that is continually overlooked in this debate is that what the government has been doing with Telstra has reduced the price of calls. It has made it cheaper, particularly in rural and regional Australia, to contact people, to use your phone for your business needs and to obtain information over the Internet. Competition invariably brings lower prices. The design of the contestability pilots will be such that consumers will at least be no worse off under the current arrangements. In fact, it is guaranteed
through the provision of a carrier of last resort that there will be no loss of service at all.

The USO is regarded as one of the core community obligations of the telecommunications industry and will not alter through privatisation. The USO imposes a general obligation to ensure that all Australians, regardless of where they work or live, have reasonable access on an equitable basis to the standard telephone services, pay phones and prescribed additional carriage services. In addition, these services must be supplied on request and are backed up by the customer service guarantee. The customer service guarantee is delivering through legislation better service for existing Telstra customers in the bush right now.

Despite the rhetoric of the Labor Party, telephone services in regional Australia are improving. This is borne out by the evidence that I have gathered in my electorate and by the findings of an investigation conducted by the Australian Communications Authority. The Australian Communications Authority reports that Telstra’s service standards have improved significantly over the last 12 months under the coalition’s customer service guarantee. The continued success of the coalition’s customer service guarantee demonstrates that legislative service requirements rather than government ownership best protect consumers’ rights. Coupled with targeted investments of the proceeds from the first partial sale of Telstra, this is resulting in improved services and infrastructure for regional Australia. Those improved services and infrastructure include a $1.5 billion Natural Heritage Trust, which is regenerating the local environment; a $71 million investment of Telstra funds to provide SBS to 1.2 million more Australians in regional Australia; $150 million to provide untimed local calls, untimed Internet access and other carriage services to remote Australia; $25 million to provide mobile phone coverage along 11 of Australia’s main highways; $45 million to enable local government to provide their services on-line and provide community service access to the Internet and, finally, $20 million to deliver affordable on-line access to communities in rural and regional Australia through the farm-wide regional access network for the Internet.

Key elements of the USO, or the universal service regime, include specification of the universal service obligation, including its upgrade, declaration of universal service providers, including multiple providers and the use of tendering—which is what this is all about—regulation of universal service charges, preparation of and compliance with universal service plans, and assessment, collection, recovery and distribution of the levy imposed by the Telecommunications Act of 1997.

The USO is funded on the basis of an industry levy. Carriers are expected to contribute to losses incurred in fulfilling the USO, which includes the requirement to service uncommercial areas. We have a lot of difficulty understanding why it is so hard for members opposite to understand that privatisation and USO are not linked. The USO is provided under the act and it subsidises the non-economic provision of telecommunications in Australia. At the moment that has nothing to do with who provides the service. In the future, under this legislation, that service may be provided by a number of companies. Some of those companies may be private. Depending on where we are this time next year with Telstra, perhaps Telstra will remain partially owned. That will not affect the operation of the USO.

At present, all licensed carriers are required to contribute to the USO industry levy, but Telstra is the sole recipient due to its monopoly in the provision of the USO. Of course, this act will bring some much needed competition into that area. Telecommunications companies are queuing up to take part in the USO provider pilot. Cable and Wireless Optus has publicly expressed a desire to be a USO provider and Vodafone and AAPT have also expressed interest. Under the USO contestability pilot schemes, to be held not only in my area of south-east Queensland but also in central west and south-west Victoria, south-east South Australia and north-east New South Wales, the levy subsidy will be divided amongst USO carriers proportionate to their customer numbers in the study area. These regional USO contestability pilots are
being held in anticipation of the much wider introduction of contestability in the provision of the USO.

The trials will enable carriers to compete with Telstra for subsidies to provide standard telephone services that are otherwise uncommercial, but Telstra will be required to remain in the pilot areas to ensure it is the customer’s decision as to whether or not he or she changes carrier. To recognise the higher risks associated with being the primary provider in a contestable environment, Telstra will be able to receive an additional fixed subsidy. Carriers will be required to pre-qualify with the Australian Communications Authority to become a universal service provider and thus be eligible to receive a USO subsidy for each unprofitable customer it services. Therefore, the total subsidy paid to the USO provider will be based on the subsidy level and its number of customers.

Currently, telecommunications carriers alone are responsible for funding the USO, irrespective of their size, while carriage service providers earn revenue that is not levied and make no direct contribution. Under the second bill, the broadening of the USO funding base will take place and it will promote industry equity. Both carriage service providers and carriers—that is, infrastructure owners—earning more than a prescribed minimum level of telecommunications revenue will be required to support the USO.

Mr Ronaldson interjecting—

Mr IAN MACFARLANE—I could talk all day if I needed to because this issue is terribly important to regional Australia. The provision of better telecommunications services is fundamental to not only rural and regional Australia but all Australia. In the longer term, the government will examine transferring responsibility for collecting USO contributions from the ACA to the Australian Taxation Office.

Under the current legislation, USO costs are determined at the end of the financial year and that creates particular problems for companies in terms of their ability to plan. Under the new arrangements, a baseline national USO cost will be declared by the minister for up to three years in advance. This will remove uncertainties about USO costs and allow telecommunications providers a far greater opportunity to plan their business and make decisions relating to their involvement in the CSO. This is all about bringing more competition and better service to regional Australia.

The ACA will also have greater scope to make the information it uses for its estimates of the USO available for industry and public scrutiny, thus bringing greater transparency and accountability to the process. Again, I would have thought that members opposite would have welcomed that. Accountability, transparency and choice are fundamental parts of our government’s overall policy fix, but in terms of regional telecommunications they are right at the top of our priorities.

Working to obtain the passage of these important legislative amendments is part of the federal government’s endeavour to ensure that all Australians have access to the best, most innovative and affordable telecommunications infrastructure. To communicate across and beyond this vast country must be regarded as a right—to be respected as much as the right to choose to whom Australians give their business. The issue is: are we going to give telecommunications consumers in regional Australia the same choice as we give telecommunications consumers in the cities? The answer, under this legislation, is a resounding yes.

Opening up the USO to more carriers ensures that right of choice and ensures greater competition in the telecommunications marketplace. With the assurance of a carrier of last resort to ensure all Australians, including those in remote parts of the country, receive access to telecommunications facilities there can only be benefits from the passage of this legislation. I, for one, am looking forward to seeing the people of Toowoomba and Clifton in my electorate in Queensland repeating the initial benefits of the USO contestability pilot schemes and am confident that the demonstrated benefits will flow on to the rest of Australia.

The improvement of regional services in the area of telecommunications, and in fact across the board, is something that I hold
very dear. I have a great deal of difficulty, though, when I hear arguments progressed against the sale of Telstra then attempted to be linked to the level of service in the bush. The level of service in the bush will be improved through two things—technology and competition. The government’s role in that is not only to facilitate it but to ensure that that is done at a price that is fair and equitable and does not disadvantage regional Australia. The sale of a national asset such as Telstra is about the government reinvesting those funds in areas in regional Australia of greater need.

There is demonstrably no need for the government to maintain its financial interest in Telstra. The government should be investing in other areas of infrastructure—areas which to date remain uncommercial, such as roads or rail and perhaps even areas that provide the incentives to development such as water. The sale of Telstra will provide those sorts of opportunities. I would have thought that people committed to the development of regional Australia would have grasped this opportunity to bring some much needed competition and facilitate better service and, perhaps then, the sale of Telstra. I would have thought people representing regional Australia would have grasped that opportunity with both hands. I commend the legislation to the House.

Ms GERICK (Canning) (7.30 p.m.)—This government already has a track record of not looking after Australians living in rural and remote areas. Since this government was elected, Australians living in these areas have seen a steady decrease in the quality of the services supplied to them. They have seen their postal services being run down, their roads becoming more dangerous, their local bank branches closing and their whole quality of life being lowered. This government is well aware that it costs more to provide services to customers in country areas than those in the cities. It is also well aware that private businesses have little incentive to provide proper services to unprofitable areas.

The principal purpose of a private business is not to provide a service but to make money for their shareholders. This government is fully aware of what has happened in the banking industry, where the withdrawal of banking services to small communities has caused flow-on effects in the local economy which have led to serious downturns in local businesses and increased unemployment. I am not suggesting that competition in service provision to rural areas will always lead to a reduction in the quality of those services. However, the government is responsible for ensuring that Australians are not disadvantaged by the introduction of a competitive tendering process for essential services. Such a process should only be implemented if there is certainty that customers will not be put at risk of losing access to those services or suffering a reduction in the quality of those services.

There has to be concern about a bill—the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000—that will allow major changes to service delivery, including a move to full contestability of the universal service obligation and the replacement of Telstra as the primary universal service provider, before proper evaluation of the new service is completed. The only safeguard that the customers have that the introduction of this legislation will not compromise their current or future access to quality telecommunications services is the two pilot schemes that will trial the competitive supply of services under the universal service obligation. The problem is that the results of these pilots will not be known for a number of years. There should be a public, independent and objective evaluation of the two pilots and a full report to parliament before any further consideration of universal service obligation contestability takes place. The government seems to believe that competitive tendering will somehow itself provide an instant and universal panacea for the communication difficulties already being experienced in rural and regional Australia. For example, in parts of my electorate of Canning, there is no access to mobile telephone communications whatsoever. Only after these pilots have been thoroughly evaluated will we know whether the pilots are working. The parliament should have a clear idea of how, where and when the proposed pilot schemes will operate and the process by which they will be evaluated.
Time after time we have seen that this government is not interested in a careful, thoughtful, responsible approach to the introduction of measures to meet the needs of Australians living in rural and remote areas. The government is instead driven by the firm and certain conviction that introducing competition will provide the best services for all Australians. The government holds to this view despite the growing mountain of evidence that this simply is not so. In this instance we see the government taking risks with the livelihoods of country Australians—gambling with their money. The government is experimenting with these people’s lives in the happy confidence that everything will be all right. Everything may not be all right. The government has to make certain that these pilots are properly planned, properly implemented and, most importantly, fully and objectively evaluated before action is taken which may cause irreversible pain and suffering in rural Australia. As the member for McMillan said, the problem is that we already know what the government wants to do: that is, announce before the pilots take place.

I would now like to speak about the effect that the implementation of this legislation may have on the lives of Australians in rural and remote areas if it paves the way for the government to fully privatise Telstra or significantly reduce the role that Telstra plays in the delivery of telecommunications services to rural Australia. This government appears to believe that competitive tendering of the universal service obligation is not only the solution to rural and regional service delivery difficulties but a justification for the full privatisation of Telstra. There is growing community concern that the government will try to use these pilot programs as part of that justification. These fears were exacerbated by the recently exposed memorandum in which Telstra’s director of regulatory affairs referred to ‘the increasing evidence that the government feels it needs to shoe-horn competitors into rural Australia within a timeframe that is sequenced with the lead up to the next election’. This reinforces fears that the pilot programs are not taken seriously by the government but are in fact no more than window dressing.

If the government is dinkum about these pilots, how can it be sure that their evaluation will not reveal evidence that Telstra should continue to be in majority public ownership? It is interesting to note that by keeping Telstra as a safety net provider in the areas to be covered by the pilot projects the government is effectively confirming its confidence in Telstra as the key player in delivering telecommunications services to rural and regional Australia. Further privatisation of Telstra will inevitably carry with it the risk that rural communities will be unable to get the telecommunications services that they need at prices that they can afford. We need to ensure that Telstra continues as the primary universal service provider for those Australians living in the extended outer zones—approximately 80 per cent of the Australian landmass.

The universal service obligation should be a mechanism by which rural and regional Australia can be assured of the equitable delivery of telecommunications services—not a roulette wheel which may provide them with what they need if they are lucky. People who live in rural and regional Australia are already falling rapidly behind their counterparts in the cities in access to telecommunication and digital data services. The government’s continuing push for the full privatisation of Telstra, if successful, may put an additional brake on the connection of these essential services. Consideration of universal service obligation contestability must not be manipulated to suit the government’s desire to privatise Telstra or its election timetable. Universal service obligation contestability should be about careful consideration of ways to provide better service.

The unwillingness of this government to protect people living in our rural communities is a disgrace. These people are already disheartened and discouraged. They are trying to keep up with, and run their businesses in, a world of astonishing technological complexity and rapid change. But many of them are already on the wrong side of the digital divide. If the government gets this legislation wrong, there are going to be thousands of people suffering in country areas and thousands more leaving those areas, thus hasten-
ing the speed at which they are bleeding to
death. The government must put the lives and
livelihoods of rural Australians before its
own ambitions and its own ideology. It must
provide them with support and encourage-
ment rather than gambling with their futures.
It must be certain that changes of this mag-
nitude will benefit rural Australians before it
takes action to implement them, and that
means that it must make sure that the pilot
programs are properly executed and that they
are properly and objectively evaluated before
this legislation comes into effect.

All of us who represent rural communities
witness, when we go to visit them, the prob-
lems that they experience. This bill must
make sure that it does nothing to make these
people’s lives more difficult.

Mr Neville (Hinkler) (7.39 p.m.)—I
welcome the chance to speak today on the
Telecommunications (Consumer Protection
and Service Standards) Amendment Bill (No.
2) 2000 and the Telecommunications (Uni-
versal Service Levy) Amendment Bill 2000.
This legislation builds on previous legislation
introduced by the government aimed at revi-
talising the delivery of the universal service
obligation, or the USO as it is well known
both in the industry and in regional and rural
Australia. I have always supported the intro-
duction of competition in the universal serv-
cice obligation regime and have stressed the
importance of working to improve its deliv-
ery, as I believe it is vital for all Australians
to have access to a range and quality of tele-
communications irrespective of where they
live.

In the last parliamentary session the gov-
ernment introduced the Telecommunications
(Consumer Protection and Service Standards)
Amendment Bill (No. 1) 2000. The first bill
included amendments to the existing USO
regime designed to enhance industry cer-
tainty about USO costs and outlined the
competitive selection process in awarding the
$150 million designed to deliver local calls to
remote areas of Australia. These amendments
were passed in June. It makes the presenta-
tion of the member for Canning somewhat
hollow. It seems to me that, during the 13
years her colleagues were in this place, they
knew about this and did nothing about it. Yet
she bleats about how dreadful it is out in
these country areas. This government is ad-
ressing one of the things that people in re-
gional and rural Australia have been begging
for as far back as I can remember. When it
introduced the first bill, the government indi-
cated that it would introduce a further bill to
comprehensively revise the USO regime to
implement the government’s other decisions
in relation to the USO. These decisions form
the cornerstone of the bill being debated here
tonight.

The changes include, first, amending the
general universal service regime to improve
its general operation, particularly in relation
to contestability, costing and funding; sec-
ond, undertaking pilot schemes to trial USO
competition; and, third, extending the fund-
ing base of the USO and also the digital data
service obligation to include carriage service
providers as well as carriers themselves. The
universal service obligation is one of the core
community obligations of telecommunica-
tions providers. It is defined as the obligation
to ensure that the standard telephone service,
payphone and other prescribed services are
reasonably accessible to all people in Austra-
ia on an equitable basis wherever they may
reside or carry on their business. The digital
data service obligation is designed to ensure
that all Australians have high speed access to
the Internet through digital data service, with
data delivery at a capacity of 64 kilobits per
second or better.

The USO funding arrangements involve
some 400,000 services in loss making areas.
At present Telstra is the designated and only
universal service provider. We have a situa-
tion where other carriers dispute Telstra’s
assessment of its costs to deliver this USO.
That has been hotly contested in all the time I
have been here. I am a member of the par-
liamentary Standing Committee on Commu-
nications, Transport, and the Arts and that
has been contested as long as I have been
here. Further, consumer groups have at times
criticised Telstra for not being responsive
enough in how it delivers that USO. Cur-
rently, there is a lack of consumer choice,
and little incentive for the other carriers to
enter and supply services. The objective of
the bill tonight is to implement the USO ar-
rangements that ensure not only the core USO services are delivered but also industry disputes are minimised, consumer choice is provided and service quality is improved.

The bill provides for USO contestability pilots. The Minister for Communications, Information Technology and the Arts recently announced that pilots would be conducted in the greater green triangle of southwest Victoria and south-east South Australia, and also in the north-east of New South Wales and Queensland’s Darling Downs to the near north coast area of the Sunshine Coast—in short, stretching from about Kempsey in New South Wales inland and from around Brisbane to Caloundra in Queensland.

The pilots will provide an opportunity to test the competitive provision of telephone services provided under the USO and will enable other operators to obtain access to industry funded USO subsidies which until now have been provided only to Telstra. Consumers in the pilot areas will have more choice in their telecommunication services. Telstra is required to continue to provide existing services, and consumers will make a decision whether or not to sign up with a competing service provider. Carriers will receive benefits, as those who have prequalified with the Australian Communications Authority to become a universal service provider and enter a contestable market, and will be eligible to receive subsidies for the USO services they provide.

The Senate Environment, Communications, Information Technology and the Arts Legislation Committee stated in its report on this bill that most witnesses to its public hearing on 18 August this year expressed broad support for the introduction of contestability for the USO subsidy. That makes the presentation of the member for Canning all the more surprising. I suspect there is a bit of a fear campaign in this. If Telstra has to stay in there as the provider of last resort, I cannot understand where her concerns lie. At the very worst, this can be a test that is later abandoned. At the best, it provides competition and a guideline to providing a better standard of USO across Australia. Pilots have been the best way of testing the viability of USO competition. As stated in the explanatory memorandum to this bill:

Such pilots would test the viability of the administrative subsidy model, and also the possibilities of regional and community cooperative carriers. Trials involving administrative subsidies are comparatively simple and quick to implement and they allow Government to keep costs in check. They provide a transition path to arrangements under which subsidies are determined competitively and the wider introduction of USO contestability.

The bill also provides for changes to introduce more equitable funding of the USO itself. This is an issue that a number of groups raised in the recent Senate hearing on the bill. Carriers have stated that they would like to see wider industry funding, and consumer groups also favour wider industry funding. The government has decided on the option of extending the funding base to carriage service providers who may, subject to determined thresholds, be required to contribute to USO funding. Attention will be given to the concerns of Internet service providers, particularly to ensure that any requirements have clear regard to the impact on operations and the capacity to pay.

Overall, I think it is a wise move to test the waters in relation to the USO with a pilot first. I do not agree with the member for Canning in her assessment. Competition can bring benefits, but we will need to see how it works in practice first. However, having said that, potential entrants have argued that competition may have the effect of increasing the size of the market and thereby reducing the net loss per customer. That would indeed be a good thing. Further, a contestable market for the delivery of the USO may encourage greater cost efficiencies. Since competition has been introduced in the telecommunications industry, we have seen a raft of changes that have benefited consumers and we have seen greater cost efficiencies. I am sure the member for Canning would not like to move back to a time when untimed local calls were capped at 25c. Now you can get deals on packages as low as 15c. STD charges have dropped by as much as 45 per cent and ISD changes have fallen by as much as 80 per cent. In the mobile phone market, cheaper prices and packages are being offered by a
range of providers, both new entrants and long established companies. Why wouldn’t we want to do that with the USO? Why wouldn’t we want to extend that further into the field?

It is important that we maintain the focus on developing regional and remote communications, and I am delighted that a range of communications companies are focusing on regional Australia. I have mentioned in previous speeches the initiatives of Optus and Farmwide-Heartland, and I think they have the potential to provide a significant boost to regional Australia. As these may be tenderers for a number of government contracts, I would not like to go into that any deeper, Mr Deputy Speaker, other than to say that I was very impressed with the technology that they were offering. Just last week, the National Party members received a briefing from Austar about some of their developing services. It is heartening to have a company in the marketplace whose stated objective is to be a leading provider of integrated broadband services for regional and rural Australia. Of course, through their television services they have become a very knowledgeable and competitive participant in the general broadcasting and telecommunications rural market.

I would also like to mention Telstra Country Wide. I have briefly spoken about the importance of this new business in the past and I have been very impressed at the way it is developing in practice. All members of the House would be aware of the horrific events surrounding the Childers backpacker tragedy earlier this year. On the day of that dreadful event, the shire council contacted me with concerns about communications. We had 70 young survivors who could not contact parents and parents could not contact them. The shire council switchboard was jammed and the emergency services switchboard was jammed. These kids were involved in horrific trauma, and people did not know whether relatives had walked away after the fire or had been killed in the fire. You can just imagine the desperate measures that people overseas were taking to contact their children and the desperate measures that these young people were taking to contact their parents. I rang Doug Campbell of Telstra Country Wide and told him of the problem, and within three hours we had a suite of four ISD phones well and truly positioned in Childers, giving these children access to calling home. It was also interesting during that event that, when Isis Shire Council asked for the bill, Telstra Country Wide agreed to donate $20,000 for the calls of those young people.

Another issue which has been of concern to me for many years is mobile telephony in the Agnes Water region. While this bill is essentially about the USO, I do not think you can just take the USO in isolation from the other forms of telecommunications for regional and rural Australia. The member for Canning talked about how dreadful these things were and what a terrible risk was being taken and how people were deprived of services. I remind her that since this government has been in office—and largely as a result of a measure that was devised by the National Party in Bundaberg some 2½ years ago, a thing called the Bundaberg resolution—we have had a social bonus of $762 million providing a whole range of broadcast and telecommunication services, not least of which was the extension of untimed local calls to country areas, which I talked about earlier in this speech, and the program for filling television black spots, with as many as 200 to 250 black spot areas being filled. So I think the member for Canning has been unnecessarily harsh on the government and has denied all the positive aspects that have come out of that social bonus.

As for Agnes Water, it is hard to believe that this area on the coast sitting midway between two provincial cities—Bundaberg and Gladstone—and being the fastest growing area in the fastest growing shire in Queensland, would not have either television or mobile phone coverage. It is vital that locals have mobile coverage, not only for their own sake but for the many tourists who go there during the tourist season. During that season the twin towns of Agnes Water and Seventeen Seven swell with many thousands of holidaymakers. I am pleased to report that the Miriam Vale Shire Council is now submitting an application under the RTIF, and I understand that Telstra Country Wide is a
successful tenderer for this project. I am delighted at the interest that it is showing in the area and I am hopeful that we may have mobile telephone coverage by early next year.

Regional Australia can present commercial opportunities as there are strong and growing demands for telecommunication services, sometimes widely over regions and other times in pockets. The government recognises this and that is why it has committed nearly a billion dollars from the partial sale of Telstra to improve telecommunication and information services across the country. The introduction of competition in the delivery of the USO has the potential to further improve these services. Starting with pilots is a significant and positive step in the direction of a better informed regional and rural Australia. I am sure the amendments in this bill will improve the general operation of the USO.

In the minutes remaining to me I would like to expand on the idea of the rights of rural people which were expressed in this USO. I commend the government also for the black spots program. Shires can now obtain $25,000 per channel to install retransmission services in their shires—in other words, with the five channels, up to $125,000; and in those areas that have only the ABC transmitter, $100,000. On top of that, a further $25,000 to allow for such matters as the clearing of land, the erection of safety fences around sites, the building of small huts for the technical equipment, the provision of mains power and the erection of a tower or a pole for the retransmission transponders are all part of this scheme. The government will also allow up to $2,000 so that field tests can be conducted and people in these areas can be sure of whether or not there are going to be the minimum required 100 houses under the signal. So when you take the USO itself and the reasons for its contestability, you look at the importance of the social bonus and what that is delivering for regional Australia, you look at some of the practical expressions of the social bonus, such as untimed local calls in country areas and you look at the fact that 250 television black spots will be covered, you see that you have a comprehensive package that treats country people—regional and rural people—with the dignity, and delivers the lifestyle, that they richly deserve. I commend the bill to the House.

Ms ROXON (Gellibrand) (7.58 p.m.)—I would be delighted to speak on the Telecommunications (Consumer Protection and Service Standards) Amendment Bill (No. 2) 2000, but I understand that there may be a more convenient time for me to do so. I am happy to start now if that assists the House and I can continue at another time, if necessary.

Mr SPEAKER—My understanding is that it would assist the House if the member for Gellibrand were to commence her speech, and I reassure her that, should she be interrupted, there will be an opportunity to ensure that she can participate again in the debate.

Ms ROXON—Thank you, Mr Speaker. In speaking today, I want to deal specifically with the consumer protection and service standards aspects of this telecommunications bill. A number of the speakers that have spoken before me have indicated that they have great concern about this bill—particularly the speaker immediately prior to me, who has particular regional interests. Whilst my seat is an inner urban seat in the western suburbs of Melbourne, as the deputy chair and chair of the task force of Labor’s government service delivery committee I have been travelling around the country, largely in regional areas, talking to communities about their concerns about government service delivery in their areas. Telstra, the level of service provision provided by Telstra and the importance of access to telecommunications of all types have been some of the things that have been raised with us absolutely everywhere we have gone. Even when we have called public meetings on other issues, Telstra and telecommunications seem to be hot on everybody’s lips.

The Labor government service delivery committee has been through a pretty broad cross-section of Australia: regional Victoria, South Australia, northern New South Wales, Perth and Kalgoorlie, northern Tasmania, the outer suburbs of Melbourne and Brisbane—covering the seats of McEwen, Chisholm and Oxley—and central and western Queensland.
In all of these seats, representations have been made to us about the concerns that people have about the level of service that is provided by Telstra to their communities at this stage. Grave concerns have been expressed to us about whether that would decline if there is further privatisation or if inadequate standards are introduced with the universal service obligation. It has been interesting that some of the areas we have visited are the areas that are being used in the trial for the contestability of the universal service obligation. I would like to go into that in some detail when we get to it.

Speakers prior to me have outlined Labor’s position, and it is very important to note that the amendments that are to be moved in the name of our shadow spokesperson in this area, Mr Stephen Smith, the member for Perth, indicate our primary concerns in the area. I would like to pass on a message to those very many people who have spoken to our committee to let them know that the amendments being proposed are consistent with the concerns that were raised across the country. It is a credit to Labor’s position that we have listened to them, taken account of those views and are here as the voices expressing concern for regional Australia and for their concerns to ensure that they have adequate telecommunications services. Unfortunately, the way the bill is currently framed, it does not appear that the government has those concerns, despite the fact that there are a number of regional members on the other side who have stood up and expressed some concern in these debates.

I would also like to deal with some of the comments that members have previously made on the other side of this House, particularly members from areas that we visited—areas such as Richmond, Ballarat and McEwen. Several years ago, members on the opposite side of the House were promising their constituents in these areas that they intended to stand up to the government’s plans, that they intended to ensure that their constituents would be able to get adequate services. The members opposite have been indicating that they will fight for the constituents to ensure that they have decent services, but most of them spoke on this issue some two or three years ago. At that time, they were promising great things for their constituents. They have not returned to this House to indicate what has been delivered to their communities as a result of the first partial sale of Telstra, and it is my suspicion that they intend not to discuss it in this House because they are very anxious that they have not been able to deliver to the community. It is for that reason that we so confidently know that our proposals and amendments will assure the community that we are interested in obtaining better standards of telecommunications and services to regional and rural Australia.

As I said, I speak in my capacity not just as the member for Gellibrand but as chair of the committee, because that is where so many of these issues were raised. I would like to take this opportunity to thank briefly all of those caucus members who have contributed to these task force trips. They always occur in valuable non-sitting periods, and people are always anxious to be in their own electorates rather than travelling throughout the country. But, as federal members of parliament, we have obligations beyond our own electorates. I am now finally receiving an indication from the chair that the debate should be adjourned. I therefore seek leave to continue my remarks when the debate resumes.

Leave granted; debate adjourned.

DEFENCE LEGISLATION AMENDMENT (AID TO CIVILIAN AUTHORITIES) BILL 2000

Consideration of Senate Message

Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration forthwith.

Senate’s amendments—

(1) Schedule 1, item 3, page 4 (after line 8), after the definition of premises, insert:

Presiding Officer means the President of the Senate or the Speaker of the House of Representatives.

(2) Schedule 1, item 3, page 5 (after line 25), at the end of subsection (2), add:

Provided always that the Emergency Forces or the Reserve Forces shall not be called out or utilized in connexion with an industrial dispute.
Involvement of State or Territory

(3) If paragraph (1)(b) applies:

(a) the Governor-General may make the order whether or not the Government of the State or the self-governing Territory requests the making of the order; and

(b) if the Government of the State or the self-governing Territory does not request the making of the order, an authorising Minister must, subject to subsection (3A), consult that Government about the making of the order before the Governor-General makes it.

Exception to paragraph (3)(b)

(3A) However, paragraph (3)(b) does not apply if the Governor-General is satisfied that, for reasons of urgency, it is impracticable to comply with the requirements of that paragraph.

Notice to State or self-governing Territory

(8A) As soon as is reasonably practicable after the order is made or revoked, an authorising Minister must arrange for the Government of the State or the self-governing Territory specified in the order to be notified of the making or revocation of the order. However, if this is not done, the validity of the making or revocation of the order is not affected.

Reporting to Parliament

(3) For the purposes of subsection (1) or (2), presentation to the Parliament of the copy and report is in accordance with this subsection if the copy and report are forwarded to the Presiding Officer of each House:

(a) if that House sits before the end of 7 days after the order mentioned in subsection (1) or the last of the orders mentioned in subsection (2) ceases to be in force—for tabling in that House before the end of that 7 days; or

(b) if not—before the end of that 7 days for distribution to all Senators or Members of the House of Representatives, as the case may be.

Review of operation of Part

51XA  Review of operation of Part
Independent review where first orders made

(1) If:
(a) before the end of 3 years after the commencement of this Part:
(i) an order under this Part ceases to be in force, where the order is not one of 2 or more orders to which subparagraph (ii) applies; or
(ii) 2 or more orders under this Part cease to be in force, where the orders were about the same or related circumstances and came into force in succession, without any intervening period when no such order was in force; and
(b) no order under this Part had previously been made;
the Minister must, subject to subsection (2), before the end of 6 months after the order mentioned in subparagraph (a)(i), or the last of the orders mentioned in subparagraph (a)(ii), ceases to be in force, arrange for the carrying out of an independent review (see subsection (6)) of the operation of this Part in relation to the order or orders.

Independent review where no orders made

(3) If no order under this Part ceases to be in force before the end of 3 years after the commencement of this Part, the Minister must, subject to subsection (4), as soon as practicable after those 3 years, arrange for the carrying out of an independent review of the operation of this Part during those 3 years.

Independent review not required if Parliamentary committee report

(2) Subsection (1) does not apply if a committee of one or both of the Houses of the Parliament has already presented a report to that House or both of the Houses, as the case may be, about the operation of this Part in relation to the order or orders.

Independent review not required if Parliamentary committee report

(4) Subsection (3) does not apply if a committee of one or both of the Houses of the Parliament has already presented a report to that House or those Houses, as the case may be, about the operation of this Part during those 3 years.

Tabling of report of independent review

(5) The Minister must arrange for a copy of the report of any independent review under subsection (1) or (3) to be tabled in each House of the Parliament within 5 sitting days of that House after the Minister is given the report.

Meaning of “independent review”

(6) In this section:

independent review means a review, and report to the Minister, by 2 or more persons who:
(a) in the Minister’s opinion, possess appropriate qualifications to carry out the review; and
(b) include at least one person who:
(i) is not employed by the Commonwealth or a Commonwealth authority; and
(ii) has not, since the commencement of this Part, provided services to the Commonwealth or a Commonwealth authority under or in connection with a contract.

Mr MOORE (Ryan—Minister for Defence) (8.05 p.m.)—I move:

That the amendments be agreed to.

The Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000, as proposed to be amended, comes from the Hope commission of 1979, the protected services security review. It has taken both houses of parliament a very considerable time to examine the proposition put forward by the government. Most members would have been aware of a need to amend the Defence Act 1903 in order to codify the role of the Australian Defence Force in relation to the aid they provide to civilian authorities. The debate on this legislation has been long and exhaustive in the Senate. The Senate Foreign Affairs, Defence and Trade Legislation Committee examined the legislation. They held public hearings on 21 July, the report was tabled in the Senate on 16 August, a number of amendments were suggested and the government subsequently agreed to all of these. The legislation was then debated between 28 August and 7 September in the Senate. Further amendments were then proposed, some of which were accepted by the government. In sum, the amendments that have been ac-
accepted strengthen the safeguards and accountability mechanisms within the legislation. The amendments include provisions that will ensure that the Commonwealth is now required, in a Commonwealth initiated callout, to consult with the state or territory concerned before the Governor-General makes the call-out order, except in cases of extreme emergency.

The prohibition relating to the use of reserves in connection with industrial disputes that existed in relation to a state requested call-out has now been extended to Commonwealth and territory call-outs. The ADF will be prohibited from stopping or restricting any protest, dissent or assembly, or industrial action, whether lawful or unlawful, unless there is a reasonable likelihood of death of or serious injury to persons, or serious damage to property. This must also be seen in the light of the restrictions on the use of the ADF only to those situations which are beyond the capability of the police. It is also placed on the record that the serious damage to property required would be of the kind described in the supplementary explanatory memorandum before the House.

The authority for granting the final approval for a counterterrorist assault will now be confined to the three authorising ministers and no delegation will be possible. It will now be required that there be a declaration of general security area under division 3 of the legislation. The statement giving a summary of call-out order and the details of the declaration will be tabled in parliament within 24 hours. Parliament will be recalled within six days thereafter. There must be a full accounting to the parliament for any call-out within seven days of the conclusion of a crisis. If the House is sitting or if it is not sitting, then the report is to be distributed to all senators and members of the House of Representatives. Finally, it is now required that the legislation itself be reviewed by either a parliamentary committee or independent authority six months after a call-out has occurred, or within three years of the commencement of the legislation.

Dr MARTIN (Cunningham) (8.09 p.m.)—
The Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000 deals with very serious and important issues regarding the use of the capabilities and personnel of the Australian Defence Force in domestic security situations. I emphasise that it is to be used in the most serious and extreme circumstances: for example, terrorism. Labor believes that in most circumstances the police forces of states and territories would be more than adequately capable of dealing with issues. Some of the nonsensical statements that have been made about the deployment of troops to the World Economic Forum over the last several weeks have been just that—bordering on the nonsensical. Labor believes that police forces can deal with those sorts of circumstances should the need arise.

Labor regards these issues as requiring the most vigilant analysis and investigation. For this reason, we sought an inquiry into the bill by the Senate Foreign Affairs, Defence and Trade Legislation Committee. It is as a result of that inquiry that community discussion and media commentary on the bill took place. While some of that media commentary has not properly reflected the facts regarding the bill, and indeed has been outright misleading, it has facilitated greater scrutiny of the bill by the wider community, which is an important goal in itself.

Labor appreciate the input and advice that a wide range of community organisations and individuals have provided to us and all of their concerns have been taken into account in formulating our position on this matter. Labor hold the position that the Commonwealth should not be given any greater powers with regard to using the ADF in domestic security matters than the Constitution currently allows, and this legislation supports that view. At the moment, there is no appropriate or effective legislative framework to restrict the Commonwealth’s powers and actions in this regard and there is no protection of civil liberties when the Commonwealth does decide to use these powers. There are no procedures, restrictions, guidelines or processes stipulated by legislation that the Commonwealth must adhere to if it were to consider using these powers beyond those contained in archaic military regulations, nor is there any current requirement for proper parliamentary accountability follow-
ing the use of such powers. These powers have been used only once since 1903 under existing legislation.

It is important to realise that these powers are not imaginary. They have been used in the past and their weaknesses highlighted. I emphasise that to date the Commonwealth has had these vast powers without any legislative framework controlling them. This is a situation which Labor believes should be corrected. The Commonwealth should have legislation in place that outlines proper processes, procedures and restrictions on how, when and why it may use the most serious of its constitutional powers. The situation as it stands now provides no restrictions on the Commonwealth acting unilaterally to call out troops, nor for proper parliamentary accountability following such actions. It is for these reasons that Labor believes that a bill of this nature is required and all those who oppose the bill on the grounds of an infringement of civil liberties are misguided.

Labor accepts that the bill will amend the Defence Act 1903 to bring up to date the framework for call-out of the Defence Force in security emergencies. The bill will also provide a proper basis for emergency use of the Defence Force as a last resort—I emphasise ‘last resort’. This is not a new power; it is simply one that is currently not regulated or restricted in any way. The protective security review by Justice Hope following the 1978 Hilton bombing highlights the weaknesses of the current situation. The report highlighted the still unsatisfactory state of the call-out framework, accountability and process, particularly from the point of view of the vagueness of the authority and expectations of the Defence Force.

Labor believes it is vital that these problems are corrected now rather than have a situation occur which highlights the failings of the current framework in a practical sense and would force changes after the event. Labor believes there needs to be provision for safeguards in the exercise of such authority and also accountability for the actions of individuals as well as government. The absence of strong and effective procedures and processes applying to the use of ADF personnel for internal security matters is the reason the Labor Party believes that the bill is warranted, not just for the Olympics but for always.

Whatever the merits of this bill, the government needs to be criticised for its management of a bill dealing with such serious matters. If the government believes that this bill needs to be in place before the Olympics, then it is a bill that should have been introduced into the parliament many months ago so that the parliament had ample time to analyse it. It was inappropriate of the government to treat the legislation in this way. The government could also be criticised for not properly consulting with the state governments in developing this bill. Clearly the bill should have been drawn up in consultation with the states so that it was clear that the bill would not impact on current arrangements such as the national antiterrorist plan.

Most of the concern over the bill, both from the community and the states, would not have arisen if the government had allowed reasonable time for the bill to be properly examined and explained in a normal way. Much of the concern raised by the bill is a result of people not realising what the current situation is and the fact that there are no restrictions on how the Commonwealth may use these powers. (Extension of time granted) This is the reason why people concerned about civil liberties should not be opposing the legislation. Opposing this legislation defeats the goals they are seeking. That is not to say that Labor was happy with the bill in its original form. Labor made it clear from the beginning that it had concerns with elements of the bill and that is why we sought the committee inquiry. At every stage of this bill’s progress, Labor has acted responsibly with regard to working with all parties to ensure that the bill’s objectives, which Labor supported, were clearly reflected in the actual legislation.

There were originally some sections of the bill which Labor had concerns with and which we further highlighted during the Senate inquiry. From the moment the bill was introduced, Labor have been pressuring the government to see reason on these matters and to amend its own legislation. The issues
raised during the public hearing further highlighted some of these deficiencies. The report of that committee and the recommendations for amendment to the bill were important. In particular, it is absolutely necessary to ensure that there is an obligation on the Commonwealth to notify the state or territory where the call-out is going to occur, and this should have been in the original bill. Despite the Senate committee inviting them, no representatives from the Democrats, the Greens or Pauline Hanson’s One Nation party attended the Senate inquiry—the only non-government senators were from Labor—and yet these are the same people in the Senate who have been dragging on, day after day, criticising the Labor Party for the way we have approached this bill. Labor did not hold the belief that the amendments arising from the Senate inquiry went far enough, and that is why Labor moved a set of key amendments to the legislation in the Senate. The government’s response to Labor and community concerns has been reactive, and it has not afforded these legitimate concerns due consideration in line with what the legislation sets out to achieve. That is why we moved those amendments.

They are in five key areas. Firstly, and most importantly, Labor moved an amendment to prevent the ADF being used against protests or dissent such as an industrial dispute on the waterfront or a community sit-in at a local school. The passing of this bill with the amendment for the first time introduces this restriction on the Commonwealth. This amendment ensures that the defence forces will never be used against any peaceful protest, assembly or industrial action. This is not only important with regard to the protection of the civil liberties of all people—citizens and non-citizens alike—who wish to exercise a democratic right to protest but it is also important to ensure that the ADF is not compromised by a government looking to use them in an inappropriate domestic situation. The ADF should and, following Labor’s amendment, will only ever be able to be used for the protection of Australians and not against them. That is why I am so disappointed that Senator Brown chose to deliberately mislead the Senate and to misrepresent the position of not only the Labor Party but I think also the government and the ADF in respect of this amendment.

Secondly, Labor believe that the legislation had to specifically recognise a more realistic relationship between the Commonwealth and the states regarding the call-out of troops. Although the Commonwealth has had the power to initiate a call-out of its own accord, Labor believe that it should be a legislative requirement that the Commonwealth consult with the executive government of the state in which troops will be deployed prior to the Governor-General making such an order. This is why Labor moved an amendment to the first part of the bill. It makes consultation with the premier of the relevant state a statutory requirement prior to an order being invoked. While a formal notification of the order to the relevant state is an important step, Labor believe that it is ridiculous for the Commonwealth to even contemplate call-out without consulting the relevant premier. Labor believe that this consultation is essential and eminently sensible, and that is why we moved an amendment to ensure consultation became a statutory requirement.

The third key element of Labor’s amendments deals with the issue of reviewing the legislation at some future point. Labor notes that the committee recommended that a review needs to occur within six months if the Commonwealth ever uses the power, or within three years of the enactment of the legislation if the powers are not used before that time. It should also be noted that Labor has given a public commitment to undertake a review in line with the committee’s recommendation—there being no question of the worthiness of such a review, particularly in light of the way the Howard government has managed the bill from the beginning. However, Labor believes that it should not be a public commitment to a review but an obligation in the legislation itself that will ensure that a proper parliamentary or independent review occurs, and that the parliament has the opportunity to examine a report from such a review. Some people have called for a sunset clause for the bill as a means of achieving a review. Labor believes this is not appropriate and could see a return to the status quo—a situation that all those interested in restricting
the Commonwealth’s powers in this regard should not support. Labor does not want to default to a position where there are no protections from the issues of concern that have been raised with regard to this bill, because the current situation fails on all accounts.

Labor believe that the amendment to review the legislation is the best option to meet the concerns that have been raised, and it ensures that we do not see a situation occur where all the problems that currently exist with regard to the powers become a default position, again giving the Commonwealth a free rein in regard to these powers. (Extension of time granted) Labor also moved that, in the event the call-out provision is invoked, a copy of the call-out order be presented to federal parliament or its presiding officers immediately, regardless of whether it is in session, to ensure information is made available for parliamentary scrutiny. Finally, Labor amended the legislation so that parliament must be promptly recalled after an order is made to deploy troops in a domestic security emergency.

These amendments, combined with those moved to address the committee’s recommendations, ensure that the concerns that have been raised by the community and the states are thoroughly dealt with, and Labor will support such an amended bill. Contrary to the myth that has developed regarding this bill—and this is important—it does not change the circumstances or powers of the Commonwealth executive government with regard to the call-out of troops. Those who are happy with the current situation to remain have been fooled by inaccurate and misleading reporting and cheap and populist politics. The current situation as it stands poses the greatest risk regarding the ADF being used inappropriately in domestic security situations that it should not be involved in. Those who oppose the amended bill under the guise of protecting civil liberties are simply feeding off the community’s misunderstanding of the bill and are in fact working against the very goals that they are advocating. Labor will not take advantage of the misunderstanding surrounding the bill by playing populist politics and opposing the amended bill. To do that would allow the current situation to remain, and it is that situation that poses the greatest threat of abuse of civil liberties and inappropriate use of the ADF in domestic security situations. There are no safeguards for the protection of civil liberties under the current situation.

Having put Labor’s qualified support for this bill, and having outlined the nature of our amendments, let me just make a couple of comments about the treatment of this legislation in the other place and, indeed, some of the comments that have been attributed to senators and some of the media. I am sure many members in this place would have been disgusted to hear the headlines that rang out across this nation about shoot-to-kill powers being given by politicians in respect of the ADF. Only a few people in the media chose to get some background information on what the bill actually proposed to do and what Labor’s position was. Headlines that screamed out, as Brian Toohey’s and others did, ‘Take cover; the Army is going power crazy’, did nothing to lift the tone of the debate in this place. Fortunately, there were some—that bothered to find out what the legislation was all about and did the right thing. They certainly presented Labor’s position in the right way.

I might also say that some of the others over in the Senate, like Senator Brown—and I notice his presence in the gallery—kept talking about sending in the troops to shoot fellow Australians who are on strike or protesting. I have to say that that was never part of Labor’s view on this deal. In fact, the very amendments that we moved preclude that from happening. To say that people would be sent in to shoot Australians because they are Australians—I have sat through about four days of this debate in the Senate; that is longer than I have ever sat through a Senate debate in my 16 years in this place, I have to say—and some of the other nonsense coming out of the people in that place in respect of this had to be heard to be believed. The misrepresentation of Labor’s position in this is extraordinary. This legislation has been amended to protect the rights of Australians. It has been amended by Labor to ensure that it is an appropriate representation of the way
in which this bill should be dealt with. The powers of the Commonwealth in the way the call-out of troops is applied are restricted. They are not broadened; they are restricted. It is for these reasons that Labor supports this legislation.

Mr ANDREN (Calare) (8.23 p.m.)—by leave—I move:

(1) Senate amendment (3), omit proposed subsections (3) and (3A), substitute:

“(3) If paragraph (1)(b) applies the Governor-General may make the order only if the Government of the State or the self-governing Territory has requested the making of the order or agreed to it.”.

(2) Senate amendment (4), omit the amendment.

(3) Senate amendment (5), proposed subsection (8A), omit “However, if this is not done, the validity of the making or revocation of the order is not affected.”.

(4) Senate amendment (8), omit proposed paragraph (a) substitute:

“(a) stop or restrict any industrial action, unarmed protest or civil disobedience; or”.

I want to place on record my opposition to a deal done between the opposition and the government that could, as currently drafted, seriously undermine the rights to peaceful protest in this country. If the security of people and facilities at the Olympics was such a pressing issue—which it was and is—why wasn’t this House debating this bill a year ago? Why the need to rush it through now and not debate it properly in the public arena and in here over, say, 12 months? I noticed that the shadow minister commented on community misunderstanding about this particular legislation. If it had been introduced in the proper time frame, there would have been proper consultation. I can assure him there is no misunderstanding about the obnoxious sectors in this particular bill.

Was it that the government, at the behest of the United States and Britain, has been forced to tighten its troop call-out provisions not because of the Olympics but because of the World Economic Forum in Melbourne next week? The opposition’s defence spokesman said in his second reading contribution that the catalyst for the bill was the Olympics and the preparedness that we need to have for the people of Sydney and those coming for the games. I ask: why introduce this potentially contentious legislation and debate it in here on one day, on the very same day that it was introduced with no Bills Digest available that I could find at that time? Is that preparedness? The opposition in this place also said, ‘We’re happy to facilitate as speedy a passage as possible for the legislation.’ The Australian Democrats, Senator Harris and Senator Brown moved some very reasonable amendments in the Senate. Senator Brown wanted an addition to schedule 1 that said, ‘Provided always that the Defence Force shall not be called out against people who are engaging in peaceful protest or civil disobedience.’ What could be more sensible than that? So I have moved, where possible, to protect that peaceful protest. The opposition then realised the extent of community disquiet about the carte blanche it had originally decided to sign off on and introduced its own amendment forbidding troops to:

... stop or restrict any protest, dissent, assembly or industrial action, except where there is a reasonable likelihood of the death of, or serious injury to, persons ...

To which the government added, ‘or serious damage to property.’ The potential interpretation of that proposed amendment gives far too much scope for the call-out power to be abused and used against peaceful protest. As it stands, this could mean a rock thrown through the front door of the Crown Casino could give rise to such a call-out; or the multitude of circumstances where a state’s police force might be deemed to be potentially putting protestors at serious risk of injury themselves. My adjustment to Senate amendment (8) omits proposed paragraph (a) relating to restrictions on certain utilisation of the Defence Force. Instead of a great freedom to interpret what constitutes a reasonable likelihood of death or serious damage to property, it should read as my amendment says that the Chief of the Defence Force must not:

stop or restrict any industrial action, unarmed protest or civil disobedience;

That is all that should be required. The opposition and the government have agreed only on amendments relating to independent reviews of the call-out orders and involvement
of the states and territories. But, in doing this, both the government and the opposition rejected quite reasonable suggestions from the Democrats and Senator Brown that ‘the state or self-governing territory has agreed to the proposed call-out’. I have been restricted in my amendments to seeking changes to the flawed bill that passed the Senate a short while ago. Nevertheless, I urge members to study the amendments I have been able to apply to this bill, because they improve it. For Senate amendment (8), I have substituted that such troop involvement not be used to stop or restrict any unarmed protest or civil disobedience. This is absolutely basic to the whole argument. Turning to Senate amendment (5), what sort of deception is in place that allows for an authorising minister to arrange for a state or territory to be notified, but if they are not notified it does not make any difference? Hence my amendment.

Let us go back a few years to the Vietnam War demonstrations. No doubt Bob Askin, armed with this legislation, would have agreed to Harold Holt sending in the troops to the streets of Sydney on the pretext of looking after the Commonwealth’s interest, especially during the visit of LBJ. So what is wrong with the state or territory agreeing to the proposed call-out? The essential elements of this legislation should be not only that the states agree to the call-out but, as well, and equally important, that the reasons for the call-out should be a direct threat to the safety of the people. Such a threat is not the democratic expression of the people’s will, as were the Vietnam demonstrations, which, despite their unfortunate violence and overreaction on all sides, vindicated the position of those who knew from the start that we were involved in an unjust war.

While Mr Askin would quite possibly have agreed to the troops, the other trigger, ‘a reasonable likelihood of death or serious injury,’ would not have been met. (Extension of time granted) There has never been a death in an Australian demonstration to my knowledge, despite much unfortunate violence. That is the reason why both criteria need to be included. The opposition leader in the Senate said at one stage that it was ‘inconceivable that parliament should not be recalled’, in justifying the amendment in this bill for parliament to be recalled six days after the event. It certainly was not conceivable by the opposition in this place when this bill was debated here. There was no sign of any recall then. While it is imperative that this parliament should review any call-out of our armed forces, and that is included in amendments to this bill, it will most likely be reviewing an event that has reached its conclusion, after an event that has quite possibly resulted in serious injury to civilians and, indeed, to troops caught up in a demonstration that turned violent because of the very presence of those troops.

Senator Harris pointed out the absurdity of sections 51A and B, which relate to, on the one hand, Commonwealth interests and, on the other, the permission for troops to go into a state regardless of state wishes to protect state interests. It is a very dangerous provision, and one that has major ramifications for the federation and, I would suggest, presents constitutional difficulties too. There is nothing in this bill or any amendments agreed to by Labor and the parties in the Senate that really protects strikers or demonstrators. The public has a right to know where the riding instructions for this legislation came from. There is nothing in this bill that provides for a sunset clause. Surely an emergency needing a military presence should be subject to that kind of provision. There is nothing in the bill to exempt reservists from any call-out, thus creating the potential for a citizen versus citizen confrontation. There is nothing like the very sensible recommendation from Senator Brown that any call-out should also be subject to the approval of a judge, not just the three senior ministers. Section 119 of our Constitution provides for the protection of every state against invasion. That provision is clear; this legislation is not. We have the capacity to move against terrorism. Indeed, our armed forces have been involved in antiterrorism training for many months. No one would suggest that they could not assist the Australian Federal Police in this task.

Dr THEOPHANOUS (Calwell) (8.31 p.m.)—I support the amendments to the Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000 moved by the
member for Calare. I do so on the basis that I am not satisfied with the guarantees which have been put into this bill with respect to the way the armed forces are going to be used. Senator Faulkner in the Senate and the shadow minister for defence here today, while well meaning, did not actually present arguments to support the claims they were making about how much the bill is going to protect, for example, demonstrators and people involved in industrial action. With respect to the industrial action issue I have moved an amendment which I will be discussing later.

This bill is opposed by many people in this country. It is opposed by not only a large number of organisations but also a number of state governments. For example, the New South Wales cabinet office on behalf of the Premier, the Steve Bracks Victorian government, the Tasmanian government, the Queensland government and even the Western Australian government have expressed reservations about this bill. One of the reasons for this is that, although an amendment to consult with the states in relation to whether or not the armed forces would be used was carried, there is no requirement to get the agreement of the states on this matter. What sort of meaning will this consultation have when it comes up in relation to the states? What happens if a state government says, ‘We’re totally in control in this matter with our state police forces and, indeed, with the Federal Police; we don’t need the assistance of the ADF’? There is no provision in the bill which prevents the minister or ministers from advising the Governor-General to proceed with this call-out.

What we are discussing here is the thin edge of the wedge. With the introduction of the use of the armed forces in relation to matters such as demonstrations, industrial disputes and peaceful gatherings you will see that these powers will be used and they will be justified after the event in an extraordinary way. The shadow minister for defence took exception to people describing the situation in terms of ‘orders to shoot to kill’. But the fact is that the bill provides that power to the ADF. In relation to this matter, the Federal Police have said, ‘We’re trained to deal with these situations, but the armed forces are not trained to deal with situations in which restraint should be the order of the day rather than going in and shooting and killing.’ The same problems occur in relation to searches and search warrants. As a democratic country, we have provisions for the protection of rights in relation to searches and search warrants. These protections are not provided for when the ADF is brought in. So there is a whole range of issues.

A number of people have criticised Senator Bob Brown, but he did raise a very important matter, that is, why was the government’s amendment to the Labor Party’s amendment passed, which in addition to dangers to persons also invokes danger to property? Danger to property is a very broad concept. It can be used in a situation where, for example in a rally or demonstration, one or two individuals might throw a stone through a window, try to push down a fence, or something of that kind. That is danger to property. In this sort of situation where there is some problem with property, should the ministers have the power to bring in the armed forces of this country rather than the Federal Police and the state police to control these matters? Of course they should not. Once we proceed in this way we will have a situation that is unstoppable. It has been mentioned that there is community alarm about this bill. There is community alarm from, for example, the International Commission of Jurists, the Uniting Church, a number of trade unions, the Victorian Trades Hall Council, the New South Wales Labour Council, the Australian Council for Civil Liberties, the Law Institute of Victoria, et cetera. A whole range of organisations are opposed to the provisions of this bill as they stand.

Question resolved in the negative, Mr Andrews and Dr Theophanous dissenting.

Dr THEOPHANOUS (Calwell) (8.37 p.m.)—by leave—I move:

(1) Senate amendment (2) omit the amendment, substitute:

“Provided always that the Defence Force shall not be utilised in connection with an industrial dispute, unarmed protest or civil disobedience”.
(2) Senate amendment (7) omit the amendment, substitute:

“Provided always that the Defence Force shall not be utilised in connection with an industrial dispute, unarmed protest or civil disobedience”.

I have moved these amendments for an important reason, that is, that certain Senate amendments were moved to absolutely guarantee that these powers would not be used in cases of industrial disputes or against unarmed protestors or in certain circumstances of civil disobedience. My amendments absolutely guarantee that that would be the case. The provision, as it exists, does not guarantee that. I want to say that— notwithstanding Senator Faulkner’s comments in the other place in which he said that these powers will never be used in an industrial dispute—the provisions provided for in the amendments moved by the Democrats and the Greens in the Senate, which would have ensured that this situation did not take place, were voted down.

Senator Faulkner says: ‘Look, I am absolutely certain that the provisions that have already been carried in the Senate will ensure that the defence forces will not be used in circumstances of industrial disputes or in circumstances of unarmed protest or civil disobedience,’ but that is not what is guaranteed by this bill as amended. When all the clauses are read together, it is possible that the bill could be used in cases of industrial disputes and in cases of unarmed protests where there is an assumption of some damage or possible damage to property. I mention property rather than persons because persons was an issue in the debate but the major point of the amendments to the bill was to include damage to property. Let us take an industrial dispute, for example the recent waterside workers protest, in which there was some damage to property. In that situation, the bill as it is currently constituted would have allowed—because of some persons resorting to violence against property—the situation where it would have been possible for the minister to apply to have the Australian armed forces contain that situation. If the government were concerned only with a terrorist situation during the Olympics, then they need not have brought in such a wide-ranging bill. They could have limited the situation to the Olympics, as the member for Calare said, and agreed to one of the various sunset clauses, because the Olympics and other associated situations will be finished by the end of this year. Senator Faulkner contradicted the government on this in his debate in the following way. The government claimed that they absolutely needed this bill for the Olympics, but Senator Faulkner said: ‘The government already have all these powers; therefore, we do not need this bill for the Olympics.’

This bill was rushed through without sufficient community discussion, without discussion with all those organisations. It is a measure which will change the culture of this country in relation to the possibility of armed forces being used against the Australian population in the context of protests, in the context of demonstrations and in the context of industrial disputes. Rather than having a full discussion with the whole community, we have had the bill rushed through the House of Representatives in one day. Notwithstanding the two Senate committees that had to deal with this bill very quickly, we have not had a discussion with the community of the kind necessary for such a bill. The fact of the matter is that this bill is flawed in its current form. It will not have the protections which the government claim it has. It ought to be opposed, and we will oppose it. The Australian people can still have protections in place for the Olympics but without this flawed bill—one that will set a dangerous precedent. The most dangerous thing is that it might lead to people thinking that the protections are in fact in place.

(Time expired)

Mr ANDREN (Calare) (8.42 p.m.)—Briefly, in support of the member for Calwell’s amendments, I ask members to refer to Senator Murray’s contribution to the second reading debate on this bill. He said:

No-one in this chamber, no-one who has designed the bills and no-one who has put together this legislation can foresee the future.

He went on to say:

This bill permanently alters the relationship between the citizen and the state.

A Zimbabwean by birth—and, if I am not mistaken, with a military background—Senator Murray tells how the former
or Murray tells how the former Rhodesian Prime Minister Ian Smith put in place the Law and Order Maintenance Act at a time of civil war and how that same act is now being applied by the latest tyrant and despot in that country, Robert Mugabe. That particular act has become a tool that has been used by repressive governments at either end of the political spectrum. Let us not put in place legislation that heads us down that path, giving that tool to this, the next or some future government. There is no longer any dividing line between the police and the army with this legislation. The Federal Police do not like it; state police do not like it; and a vast number of law abiding people do not like it. I certainly do not like it, and I reject it. I commend the amendments to the House.

Mr MOORE (Ryan—Minister for Defence) (8.44 p.m.)—I thank those members who have contributed to this debate on the Defence Legislation Amendment (Aid to Civilian Authorities) Bill 2000 and wish to make a couple of points with regard to the bill. Firstly, in relation to Australian Federal Police support for the bill—or lack of support, as one member said—I am advised that the bill was endorsed by the Federal Commissioner of Police. Secondly, on the question of serious damage to property, that is defined within the explanatory memorandum, in the amendment to paragraph to 51G(a). I table the explanatory memorandum.

Mr SPEAKER—The question is that the amendments moved by the honourable member for Calwell be agreed to. I think the noes have it.

Dr Theophanous—I call for a division.

Mr SPEAKER—As there are fewer than four members voting for the ayes, I declare that the noes have it, in accordance with standing order 204. The names of the members in the minority will be recorded in the Votes and Proceedings.

Amendments negatived, Dr Theophanous and Mr Andren dissenting.

Mr SPEAKER—The question now is that the Senate amendments be agreed to. Question resolved in the affirmative.

Mr Andren—He called for a division.

Mr SPEAKER—Order! It is not my wish to enter into debate on this matter, nor do I want those in a minority to feel they have been in some way mistreated by the chair—and they are not in their positions, and have no choice about that. I need to recognise, therefore, that the members for Calare and Calwell are in a minority on the question as to whether the Senate amendments be agreed to. But in fact there is no provision for a division and I had declared the position before a division was called.

COMMITTEES
Electoral Matters Committee
Membership

Mr SPEAKER—I have received a message from the Senate acquainting the House that Senator Boswell has been discharged from the Joint Standing Committee on Electoral Matters. Senator Ferris has been appointed a member of the committee.

OLYMPIC AND PARALYMPIC GAMES

Mr ANDERSON (Gwydir—Acting Prime Minister) (8.52 p.m.)—by leave—I move:

That this House:

(1) congratulates each of the athletes chosen to represent Australia at both the Sydney 2000 Olympic Games and the Paralympic Games;

(2) expresses, on behalf of the Australian community, our admiration for their dedication and exceptional effort in attaining the status as Olympians and Paralympians, and.

A division having been called and the bells having been rung—
(3) wishes all athletes every success in their endeavours at the Games:

There will be 627 Australian Olympians and 435 Australian Paralympians competing at the Sydney 2000 Games. When you consider the Australian families and friends who are directly linked to these competitors and the tens of thousands of volunteers, entertainers, workers, torchbearers and so forth, you will find millions of Australians with a direct interest in some aspect of the games. We will have our biggest and best prepared team competing. We have done everything possible to ensure that these will be the fairest and cleanest games ever. I am proud to say that the Australian government has provided unprecedented support for our Olympians and Paralympians. These men and women are an inspiration to us all. While I wish the competitors every success in their endeavours, our thoughts are also with those who trained hard and competed over recent years but who were not selected.

Australia is determined to produce a gold medal performance as the games host. Our welcome will be warm and inviting. Our climate and our culture will have universal appeal. We will have better prepared athletes than ever before. The facilities will be the best yet. We will deliver the toughest antidoping regime possible. We will provide more opportunities to do business than ever before. These games are not merely a sporting event. They will provide this country with 10 years of opportunity. They will change Australia as perhaps no other similar event could ever have done. Each one of these very proud Australians will have made their mark not only on Australian history but on the future of this country. We wish them all well. I certainly add to that the expression—I am sure shared by all in this House—that all Australians and all who visit and who watch these events thoroughly enjoy themselves.

Mr CREAN (Hotham) (8.55 p.m.)—It gives me pleasure to second the motion. This was a suggestion of the Leader of the Opposition when the matter came up earlier today.

Government members interjecting—

Mr CREAN—It is a big deal. It sounds a bit like catch-up on your side. In the spirit in which we suggested it, I am delighted that you have finally taken the lead. It is not just a recognition of the athletes but of the other participants. Importantly, in both the Olympics and the Paralympics teams there are a huge number of people participating—some 10,000 in the Olympics and some 4,000 in the Paralympics. There is no greater honour that one can have than to represent one’s country. All of us who have been part of sport and sport activities know how hard it is to train and sacrifice to reach that peak by which you get that opportunity. This motion is one that not only wishes our athletes well and the success that they justly deserve but also recognises the great sacrifice and commitment that they and their families have made. We wish them well. I am delighted that we have a unanimous motion in the House expressing that, on the eve of the Olympics, we look forward to coming back and hopefully recognising great achievement on their part.
member came from. They learnt about the member’s country—some of them were remote countries of Africa—and they presented to each IOC member as they came to Sydney to check out the credentials of that city. There is no doubt in my mind that the bid that was launched by Sydney in those days was the best bid that has ever been made to host the Olympics and I suspect it will be a long time before it is surpassed. What Sydney and the Australian people had to offer was that we were culturally diverse and we had the capacity, when Australians were not competing in any event—and this will unfold in the next few weeks—to support so many other athletes in the world. We all know that, when it comes to achieving anything, Australians go about their business in a simple way. They do it without fanfare and without fuss. They do it in a friendly fashion.

I have absolutely no doubt that this will be a celebration of sport. If I had one wish at this time, it would be to hope the focus is on the celebration of sport. That is what the intention always was. Let us forget what the events may have been in the lead-up to it and let us come through this event, as I am sure we will, enhancing Australia’s reputation as a nation, giving an opportunity to billions around the world to understand us more, to know who we are, to know where we are and to realise that there is a very proud and capable country called Australia that will host the biggest peacetime event in the world’s history. I endorse the remarks of the speakers who have contributed to this small good wish to the Australian team. I hope there is success on the field, on the sporting arena and off it. I am confident that that will be the outcome.

Mr TIM FISCHER (Farrer) (9.00 p.m.)—I rise to support the motion and make two brief points. Firstly, the preparations were a long, hard road and involved many now in this chamber who have just spoken. I congratulate everyone that has been involved. I point out that in the preparations for the games in 1956, Australia was the object of quite a strong attack, about six months out from the actual holding of the Melbourne Olympics, with the then IOC body saying that we had not gone about it the right way and the whole thing was lacking in effort, and reading the riot act. To some extent, history repeats itself in these things, but we are now ready. We have a splendid village. We have a splendid set of track and other arenas ready to go, including the archery, the swimming pool, and all the other facilities. I think it will be a great success.

My second point is that this motion moved by the Acting Prime Minister embraces both the Olympics and the Paralympics. It is a great privilege for me to be Mayor of the Paralympics. There will be more than 120 teams supporting the Paralympics. Many country schools will be attending the Paralympics, perhaps even from your electorate, Mr Speaker, under a scheme of arrangement facilitated by the federal government. In addition, the federal government is subsidising entry to the Paralympic Village. When the Olympics finish, I will have the pleasure of moving into the flat currently occupied by Graham Richardson. I am sure the flat will be tidy on that occasion!

I also commend the member for Cowan, who will be playing a direct role with the Australian Paralympic team. I think the Paralympics will be the surprise of this last quarter of calendar year 2000, when all those brave hearts step forward and compete in a fantastic way in all the events of the Paralympics. We wish them well. I strongly support the motion before the chair.

Mr BAIRD (Cook) (9.02 p.m.)—It is my pleasure to support the motion moved by the Acting Prime Minister and supported by the Deputy Leader of the Opposition. It was my pleasure to be minister for Sydney’s Olympic bid together with the then Premier and now the Minister for Finance and Administration, John Fahey. Our Olympic theme was ‘Share the spirit’—the spirit of the games. This is what it is about: higher, faster, stronger.

I congratulate those who have prepared for the games. I look forward to a tremendous success on the part of the athletes. It is a vision that the Minister for Finance and Administration and I shared but it is also true that it was a bipartisan bid. It was supported by the Labor Party at that time in New South Wales. It was supported by the then Commonwealth government, Paul Keating’s government. It was supported by the then oppo-
sition. It was supported by the trade union movement. It was supported by Aborigines in New South Wales and the New South Wales Land Council. It was supported right across the board, including by the media at the time, I might say. It has united Australia, as we have seen the flame pass around the country. It has united us as we look forward to this great event, the greatest event organised in peacetime around Australia. I and the Minister for Finance and Administration are very proud of the part we played, and we look forward to the tremendous Olympic Games in Sydney.

Question resolved in the affirmative.

House adjourned at 9.04 p.m. until Tuesday, 3 October 2000, at 2 p.m., in accordance with the resolution agreed to this day.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Commonwealth Bank of Australia: Individual Work Contracts

Mrs CROSIO (Prospect) (9.40 a.m.)—I would like to make clear in my time available here this morning my absolute disgust at the Commonwealth Bank of Australia’s decision to place 28,000 members of its work force on identical individual contracts. This move has come after months of negotiation where the bank’s management have walked away from the Financial Services Union’s claim of a 13 per cent pay rise over two years. This is despite the bank recording another record profit of $1.7 billion. This move to place up to 28,000 workers on individual contracts comes from one of Australia’s largest banks and a bank with a high level of union membership. Almost 80 per cent of the work force of the CBA are members of a union.

The majority of the staff of the CBA have made it clear that the CBA’s offer was not acceptable and they want a union negotiated agreement. However, despite the majority of the workers wanting to work under a union negotiated award, thanks to new laws brought in by this government, the CBA management can now refuse to even continue negotiations and offer those 28,000 workers an identical individual contract on a take it or leave your job basis. This is not a fair choice. The workers in the Commonwealth Bank, many of whom would only earn approximately $28,000 per year, are now expected to negotiate one on one with one of the biggest banks in the country. I find this sort of negotiation very one-sided. The power to negotiate on equal terms is easily eroded.

But this is what the minister for workplace relations wants. This is his idea of progress: an anti-union, non-collective labour force in which everyone has the right—or, as they call it, the choice—to negotiate individual workplace agreements. Some statistics of the Commonwealth Bank of Australia will show that this offer is unreasonable and that its attitude to its workers in placing them on individual workplace arrangements needs urgent consideration.

Since 1994, the Commonwealth Bank has closed hundreds of branches and thousands of jobs have been lost as the technological revolution in banking takes hold. Since 1994, the CBA’s net profit has increased 150 per cent from $680 million to $1.7 billion. Directors’ fees at the Commonwealth Bank have increased 99 per cent. The salary of the CEO of the Commonwealth Bank, David Murray, has increased 270 per cent from $500,000 a year to $2 million a year. CBA executives have received $130 million share options in the past three years, including $42 million in share options for the CEO, David Murray. I find it quite absurd that a bank—a company, call it what you like—can afford these sorts of extravagant bonuses for their elite executives and can boast of record profit margins while treating their staff this way.

The Commonwealth Bank managed to achieve this while having no independent appraisal of any improvement in customer service levels and at a time when the bank’s public image is at an all-time low. At the Ware Street branch of the Commonwealth Bank in my electorate people are being made to wait for 45 minutes or more to be served at the counter. There are plenty of counters available but they are not being staffed. This is a branch in an electorate with a very high proportion of elderly citizens, many of whom are pensioners. Making aged persons and pensioners wait up to 45 minutes should be a sign that there are many more important issues to address with the Commonwealth Bank, such as staffing levels, customer service standards and the treatment of staff rather than boasts about record profits.
The Commonwealth Bank’s offer to the staff is a rise of three per cent for the first year and 3.5 per cent for the next year. Then, after the second year they will have to negotiate on a one-to-one performance based review by management. CBA’s own economists predict that inflation will be 4.8 per cent next year and yet they offer their staff less than three per cent. (Time expired)

Cook Electorate: Elouera Surf Life Saving Club

Mr Baird (Cook) (9.43 a.m.)—Today I rise to commend to the House the past year’s activities of Elouera Surf Life Saving Club. Amongst other things that Elouera has to be proud of this year is the fact that no lives were lost while members were on patrol. This is in part due to the fact that 113 rescues were made and 648 preventative actions were taken by members. The club puts a heavy emphasis on being involved. Elouera was one of the very few clubs that participated in and was represented at every activity of the Sydney branch of surf lifesaving clubs in the past year. It also organised a number of major functions through the year, including the Sutherland Shire half marathon and the annual surf carnival.

A special mention should be made of the club’s 18th annual surf awareness clinic. This event aims to teach young people a sense of responsibility so that they can be aware of potential dangers while also passing on the necessary surf skills so they can maximise their enjoyment of this resource. The clinic this year was particularly successful. Over 400 people attended from as far away as Dubbo. Clinic coordinator Ron Pears and club president Mike Batty should be congratulated for this important local initiative. There was also the support of the trade union club, or Tradies, as it is called.

I would also like to briefly acknowledge the contribution of the Cronulla Sutherland District offshore rescue boat to life in the Sutherland Shire. The boat continues to be on call 24 hours per day, 365 days per year, and was involved in some dramatic rescue and retrieval missions over the past 12 months. One particularly worthy mention was the rescue of two Canadian Olympic sailors whose craft had been dismasted outside Sydney Heads and who were lost overnight. The boat found these sailors off the Royal National Park the next morning, and both sailors were soon receiving treatment. I am sure these two Canadian Olympians would have been very happy to see Offshore 2 appearing over the top of the waves that cold morning.

Special mention should be made of the commitment by the boat’s chairman, John Moseley, who put in 115 patrol hours and 135 maintenance hours over the year. Congratulations also to Simon Allington-Lodge, who was named crewperson of the year in 1999-2000. Those of us in the Sutherland Shire and around Australia who make use of our beautiful waterways owe a great debt to these local volunteers who are often placed in highly distressing or dangerous situations.

I would also like the House to recognise today the important activities of Elouera Surf Life Saving Club and the Cronulla Sutherland District offshore rescue boat. These two particular institutions are part of the overall surf awareness in Bate Bay. Four clubs cover Bate Bay—Cronulla, North Cronulla, Elouera and Wanda—and, of course, there are the offshore rescue boats. They do a fantastic job. No lives were lost at any of the beaches during the year, and they are a great support for local boaters, swimmers and surfers. I want to commend them to the House for yet another outstanding year, and I commend those who support them so significantly.

Foreign Affairs, Defence and Trade Committee: Report

Mr O’Keeffe (Burke) (9.46 a.m.)—These remarks continue from my speech on page 18061 of Hansard in respect of the trade committee’s report titled Building Australia’s trade and investment relationship with South America. I was saying that I wanted to draw attention
to a personal hobbyhorse, which is the need to build the exchange relationships not only between students but also between young executives. I emphasise that section of the report.

I make the point that at a recent meeting of the full committee with the defence secretary from India, he made the point in his opening comments that they value the 9,000 Indian students in Australia at tertiary institutions as their most valuable asset in their relationship with this country. I think we need to understand that.

The report is highly critical of the role of the Department of Immigration and Multicultural Affairs, particularly in relation to the operation of visas. I specifically ask the department and the minister to take note of the recommendations in the report about the changes in systems to facilitate the exchange of students and executives, and the building of the trade relationship. You just cannot build a trade relationship if you do not make it easy for people to come and go, and I emphasise that.

I call on the government to study the report seriously and to respond firmly and aggressively with both the resources and the commitment to carry out the undertakings. I have assured the embassies both overseas and here that this is a bipartisan approach—that the conclusions of the report are bipartisan and that a future Labor government would be committing resources and effort to building this trade relationship with South America.

On behalf of committee members, I thank Jane Vincent and other staff members and all those people associated with assisting us—the embassies offshore, our hosts and the various organisations that made representations to us. It has been a tremendous effort across the board.

I conclude with one final point. There was a trip by committee members to South America which was essential to the conduct of the report and a valuable experience. It was paid for by the members themselves, because the funds were not available to facilitate something like that. Most of us used our study funding facility, and there will be more of this. There was difficulty between the Presiding Officers about funding the staff support to assist us with this trip. It was finally sorted out, but I would urge the Presiding Officers to be aware of the potential of this kind of work in the future and to ensure that such visits do have staff support, as we did.

Fire Blight

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.49 a.m.)—On 17 December 1997, the then Minister for Primary Industries and Energy, John Anderson, issued a press release which brought to an end an extraordinary saga—a nightmare, in fact—that had been lived out by the apple and pear fruit growers of Australia. He announced that there had been no evidence found at all of fire blight, an absolutely virulent disease of apples and pears, a disease that unfortunately is through the orchards of most of the pome fruit growing countries in the rest of the world—in particular, New Zealand.

There had been an extraordinary circumstance where a New Zealand scientist had found a twig in the Botanic Gardens of Melbourne which he felt was highly suspicious—it looked like it had fire blight. That triggered an inspection round in our Australian pome fruit industry orchards. Over six million trees were inspected, some 1,600 apple and pear orchards, 203 nurseries in all major growing areas right throughout Australia—all were inspected. There were over 300 survey workers. It cost the industry millions of dollars being in quarantine, when their fruit was no longer able to be sold, while the inspections went on to see if, in fact, this deadly disease had spread from the one plant in the Melbourne Botanic Gardens throughout the rest of Australia.
The good news was that, no, this was an isolated incident—there was just this one twig on this one cotoneaster in the gardens. But the nightmare continues because, as we speak, we are yet again waiting the outcome of the quarantine service considering another application from New Zealand to import fresh apples into this country. It is, of course, their right to make that application and it is the duty of our Australian Quarantine and Inspection Service, an excellent service, to work through their application. We are expecting the interim risk assessment announcement in the coming month or so.

Let me just revisit this disease for a minute so that we are in no doubt at all about its virulence, about the great good fortune that Australia has in not having this problem at the moment. It is incurable. It is spread by insects on breezes, we believe. It is a bacterial problem, which means that the only sorts of treatments that are available are cutting back the trees that have been affected, so you lose their productivity; but also there is a resistance building to the streptomycin sprays that were once used more effectively in New Zealand, so they are even less effective than they once were.

I want to repeat, with regard to the New Zealand application which is before us, that we can understand them trying. But there has been no new science. The blight on our fruit, we do not want to occur. Our pear industry, in particular, would be devastated. SPC and Ardmona rely on pears as the backbone of their fruit manufacturing and the Goulburn Valley has 90 per cent of that fruit production. It is quite obvious that we need to continue with our disease free status. I look forward to the right outcome, based on the right science, from the Australian quarantine service in the next month.

Ordnance Storage: Privatisation

Mr FITZGIBBON (Hunter) (9.52 a.m.)—For some years now, the military has been contracting out what are described as non-core activities. The question I want to pose today is: when are services provided by our armed forces core and when are those services non-core? I expect that most Australians, if asked what they considered to be non-core activities, would nominate services such as cooking, cleaning, construction, ground maintenance and maybe even administration. But I doubt that too many would nominate the storage of our explosive ordnance. Most, I suspect, would nominate those activities as very much a core responsibility of our armed forces. Yet the Minister for Defence is giving his imprimatur to the contracting out of these core activities.

In future, the responsibilities for the storage, maintenance and distribution of our bombs will not fall to the military but, rather, will be in the hands of the private sector. In addition to the obvious implications of that policy, for the townships of Denman and Sandy Hollow in my electorate it could prove to be disastrous. Myambat Logistics Company is a key employer in the Muswellbrook local government area. Its privatisation flies in the face of the Prime Minister’s commitment that:

... there should be no reduction in Defence presence in regional Australia.

Not only are there employment implications, but the privatisation of Myambat threatens the viability of the local school and may leave local defence housing at risk of falling into disrepair.

The Mayor of Muswellbrook, John Colvin, is a person with some expertise in defence matters and he is very concerned about the military’s and the government’s approach to the contracting out of what I would describe as core activities. He has written to the Minister for Defence expressing his concerns and I am aware that he is attempting to establish a meeting with the minister so that he can express his concerns face to face.

Today I appeal to the minister to meet with John Colvin. He is a sensible guy who, as I said, has some expertise in these matters. Understandably, he has some very grave concerns
about the implications that the contracting out of those core responsibilities at Myambat will have for the Muswellbrook local government area. I appeal to the minister to give him that hearing.

Australian Labor Party: Electoral Fraud Allegations

Australian Labor Party: Taxation Policy

Mrs ELSON (Forde) (9.55 a.m.)—I take this opportunity to comment on the Queensland Criminal Justice Commission’s decision to launch an inquiry into the allegations of electoral fraud within the Australian Labor Party. I think most of us on this side of the House have heard numerous stories of the practice of dead people voting, people voting and giving addresses that did not exist, and other electoral irregularities over the years. It is an idea that is abhorrent to the Liberal Party. I know that many of us have been conscientious in ensuring that any signs of irregularities have been reported to the Electoral Commission as soon as possible. I think it is appropriate that this inquiry will take place so that the community can be made aware of the extent of the problem and so that those individuals who conduct themselves in that way—

Mr Swan interjecting—

Mrs ELSON—The member for Lilley protests too much. I am not suggesting that this is something that is carried out, or even condoned, by the upper echelons of the Labor Party, but it appears to be something that some sectors of the ALP or their associates have encouraged or turned a blind eye to.

Premier Beattie has said in past weeks that he would go straight back to the people for an early election if there was any suggestion of impropriety. I hope that we can assume that he meant he would take that course of action following a full inquiry and the release of all findings and ramifications, otherwise the people of Queensland would be going back to vote using exactly the same, now suspect, electoral roll. We clearly need to ensure that, going to the next state and federal elections, the Queensland electoral rolls are free of any serious or deliberate corruption.

In the very short time remaining to me, I join with the growing number of people in my electorate who are calling on Labor to outline exactly what their infamous roll-back policy means. While the term has vanished without a trace from the mouths of the Labor Party’s frontbench, it remains an integral part of their policy at the next election, yet no-one has a clue what roll-back actually means, what will be the extent of roll-back and, probably more importantly, how it will be funded. If roll-back is not significant enough to warrant either explanation or debate, Labor ought to come right out and admit that they support the GST and that roll-back is meaningless and represents nothing more than political opportunism.

Mr DEPUTY SPEAKER (Mr Nehl)—In accordance with standing order 275A, the time for members statements has concluded.

SOCIAL SECURITY AND VETERANS’ ENTITLEMENTS LEGISLATION AMENDMENT (PRIVATE TRUSTS AND PRIVATE COMPANIES—INTEGRITY OF MEANS TESTING) BILL 2000

Second Reading

Debate resumed from 17 August, on motion by Mr Anthony:

That the bill be now read a second time.

Mr SWAN (Lilley) (9.58 a.m.)—The Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000 aims to tighten the treatment of assets and income held by social security and veterans’ affairs recipients through their involvement in private trusts and private companies.
It gives effect to a savings measure in the 2000-01 budget. It aims to ensure that people who hold their assets in private companies or private trusts receive comparable treatment under the means test to those who hold their assets directly.

Currently, the Social Security Act does not provide for income and assets held in trust or private company to be attributed to an individual. Trust structures have developed considerably over recent years, as have the number of people utilising them. By using increasingly complex structures, some have sought to deliberately hide income and assets that would otherwise be attributed to them. Under this bill the assets and income of the structure will be attributed to the person or persons who control the company or trust or to the person or persons who were the source of capital of the company or trust.

This is an extremely technical bill and I do not intend to describe in great detail all of its technicalities. However, I wish to devote some time to the history of these issues, the double standards of the government and some apparent weaknesses in the legislation. The opposition will support this bill. While we have some concerns about the bill’s ability to achieve the aims stated, the opposition strongly supports any move to act against wealthy individuals who seek to rort the system and circumvent the income and assets testing that applies to others who seek social security payments.

As I noted yesterday in other legislation before this place, taxpayers need to have confidence that the social safety net they fund is being used only by those in genuine need. It has always been the intent of our social security system to target assistance at those most in need. To this end it has been very effective, with observers noting that our system is highly cost effective and targeted by international standards. However, new changes will always evolve as a select few attempt to circumvent the rules. With this in mind, it is worthwhile noting that the advent of private trusts and companies was one of the reasons why the Hawke Labor government introduced the assets test in 1984. An individual involved in a trust situation should not be able to gain access to assistance, or to more assistance, by virtue of a trust situation when he is not in need. All things being equal, a person in a trust situation should receive the same assistance as another person with the same needs.

It should not be forgotten that a Labor government first acted to prevent high-wealth individuals from converting their wealth into assets to avoid the income tests applicable to social security payments. It is also important to remind honourable members who opposed that proposal tooth and nail—it was of course the Liberal and National parties. The Liberal and National parties so opposed the assets test legislation that they did not attempt even to move amendments to it. In March 1985 they sponsored a private member’s bill to abolish assets tests completely. By attempting that they wanted people with potentially millions of dollars in assets—holiday mansions, fine artworks, Rolls Royces, speedboats, yachts, penthouses and the like—to be able to claim pensions. So long as those people could minimise their on-paper incomes, they could cash in on a taxpayer-funded pension.

I am glad to report that that private member’s bill from the Liberal and National parties failed. Thus it is somewhat curious to find the coalition proposing this legislation today. That is why we doubt the government’s motives and sincerity in relation to the issues we are debating today. I am prepared to concede that maybe—just maybe—the coalition has moved on since 1985: perhaps they now understand that the community will not tolerate high-wealth individuals deliberately soaking off the system. I certainly hope so—but I doubt it.

We remain convinced that the government is not really serious about tackling these issues. There are basically two reasons for that view. First, we have the appalling double standards as evidenced in question time yesterday when the government basically admitted that it was failing to act on the taxation treatment of private trusts despite the Treasurer’s promising to do so. Secondly, there remains considerable doubt about whether the bill we are debating today
will crack down on those who are currently rorting the system. I intend to address each of those issues in detail.

The government’s lack of commitment in cracking down on trust holders who use such devices solely to gain social security payments I think is matched by its lack of commitment to taxing trusts generally. As I said before, that was evidenced in question time yesterday. Put simply, the government has been strangely lethargic in these areas. During question time yesterday the Treasurer was asked why an August 1998 promise to tax trusts as companies and save $2 billion is yet to be honoured. Last November the Treasurer confirmed that the plan to tax trusts was still policy but said that he wanted to put it off for another year. He then gave a guarantee that the legislation on trusts would be introduced in time to pass through parliament by the end of June. Of course, we are still waiting; it just has not happened. It is now September and there has been no legislation and no crackdown on people avoiding tax.

That is a little like the legislation before us today: a lot of loud talk but no action. There is a strange lethargy. Why? Could it have anything to do with the fact that half the government frontbench has family trusts? Yesterday in the House the government was ducking and weaving about a range of shonky tax schemes that it has failed to pursue. When it comes to trusts and sham employee benefit schemes, the government appears only too willing to lend an ear to aggressive tax planners and to those with vested interests. However, when it comes to standing up for those who have nothing, it is a completely different story.

The government sees the social security system and those who require its assistance as easy targets. As I said yesterday, the government is now well practised in the black art of wedge politics as it pertains to welfare. As I discussed in detail yesterday, the way in which the coalition has consistently targeted social security and its recipients for electoral gain is well known. In doing so, it has sought to stereotype all people who receive social security as rorters who are undeserving of assistance.

We have the government running around the country claiming that their crackdown on fraud has picked up $46 million a week. However, when we get down to the middle of the figures we see they are not rorters, they are people who have received overpayments either through a mistake in the estimation of their income or through a mistake made by Centrelink, and the government is quite happy to characterise all of these people as rorters. As I said yesterday, that is simply obnoxious. It is a strategy that it has borrowed from the Republican Party in the United States. In fact, it would not surprise me to find that if we could manage to get down to the bowels of the Prime Minister’s office we would turn up some sleazy Republican strategist down there putting forward all of these wedge-type issues—the United Nations, the conspiracy theory, IVF, indigenous issues, you name it.

The government is very well practised in the art of trying to create diversions from its real agenda, which is to punish and attack the incomes of those at the lowest level, squeeze the incomes of those in the middle, and distribute the benefits of that squalid process to the very top. That is one of the reasons why we constantly say when we are debating social security and tax legislation that this is a government which is very strong on the weak and very weak on the strong.

This is the central strategy of the government, and that is why we have some doubt about the government’s motives here. Even in the last budget, where many of these measures were contained, what did we find? We found the government has put away a $10 million bag of money to put in place another fraudulent campaign about how terrific the government is in cracking down on welfare fraud. But, as we now know, and as all the figures show, when it is using those figures what it is actually counting is overpayments to honest, hardworking mums and dads in this country, who are being punished by a whole set of harsh rules which take money away from them.
For example, look at the measure that began on 1 July, what I call the government’s zero tolerance family policy. Previously, if you received family payments you were given a 10 per cent tolerance if you underestimated your income. However, given the way in which the work force is changing these days, the way it is increasingly casualised, the way in which people do not know from week to week whether they will be working overtime and so on, many more people are receiving overpayments. Sometimes they do not know they are being overpaid. But the new zero tolerance family policy means that if they get a dollar in overpayment they will get lumbered with a bill, so much so that 40 per cent of all people who receive family payments are receiving debts, the average debt being around $1,000. These are the people who are included in the government’s figures as rorters when the government openly acknowledges they are no such thing, and when only something like one per cent of people are convicted of welfare fraud.

That is part of the background as to why we are so sceptical about the government’s sincerity in implementing some of the measures contained in this bill, because what we see here is a lot of chest beating. The minister, the member for Richmond, has already issued a release about how the government is going to crack down on all these rich avoiders. He says he is going to get out there and get these people, but when we look behind this bill we see that there is no such tough approach at all. The approach with those who receive family payments and the zero tolerance family policy, which started on 1 July, is not repeated in this bill. We do not see that sort of action against the rorters in this bill at all. We do not see the same action against those with trusts that we are seeing against decent, honest, hardworking families receiving family payments.

In the case of this bill, the government is so tough in cracking down on the wealthy that they have decided that they are going to give them a holiday from the measures in this bill until January 2002. January 2002! This is such an important issue. There is so much fraud going on here that they are going to give them until January 2002. Why did it not start on 1 July like the zero tolerance family policy if it was so important? Why did it not start then? We have not had an answer from the government. I hope that when the minister comes back to conclude this debate we might find out why the holiday has been given.

The revised arrangements contained in this bill that implement the new treatment of trusts and private companies do not come into force until January 2002. While the government probably will not admit why it has extended this generosity, I know why, I have been told why—it wants to give individuals ‘an opportunity to reconsider their affairs.’ How many families out there receiving family payments have had an opportunity to have their affairs reconsidered when they get a bill for $1,000? Not too many, but if you have got a private trust you have got until January 2002. That is a bit like the police tapping bank robbers on the shoulder during an armed hold-up and telling them the next bank they plan to rob will be shut on the day they attempt the next heist. That is the double standard of this government.

The government should explain to us why these measures cannot take effect immediately, with debt recovery action initiated on all benefits paid from now, not January 2002, as soon as the full details of a trust or a company arrangement are exposed. If the government cannot provide a credible explanation, the opposition will consider amending this deliberate loophole.

As it currently stands, the government’s legislation will provide high wealth rorters with ample opportunity to rearrange their affairs to avoid the income and assets test and to find a way to continue to claim benefits. As I said yesterday, this stands in stark contrast to the way in which the government is treating families with its zero tolerance family policy.

The other avenue that we shall be looking at closely relates to the exemptions applicable to primary producers who make use of private trusts. While the opposition acknowledges that
some greater leniency needs to be afforded to struggling primary producers in relation to assets testing, we are very keen to see that that is not abused, and that is particularly in the interests of the primary producers themselves. The opposition will reserve the right to amend the concessions to primary producing businesses in this bill if it is apparent that they will be abused. The opposition will not allow the government to grandstand on this issue, especially considering the glaring weaknesses in the bill. If the government wants to get serious, we will support them wholeheartedly. However, if they want to continue in the current vein, we will expose them. We will expose the double standards that are occurring, not only in social security but in taxation.

Take the fact that the government is going to breach half of all the unemployed people in this country in the next 12 months, with the first penalty being $800, and rapidly escalating. The government has in its budget papers proposals to save $212 million via return to work agreements over the next four years. That approach to that particular vulnerable group in our community stands in stark contrast to the provisions contained in this bill. What are the savings here? The minister says there is this rorting going on. He is a jolly good fellow and he is going to crack down on it—it is a significant haemorrhage to the system and it is terrible. The government is only going to pick up $42 million in 2001-02; in 2002-03, $140 million; in 2003-04, $146 million. That is a lot of money. If the government were serious, why are we just considering it now and why is there such an extended timetable? When you consider that lethargic, lax approach and contrast it with the punishment and the severe financial penalties being visited upon hardworking families via the zero tolerance family policy, and when you contrast it with what is occurring with the breaching of the unemployed, you can see a double standard.

That is why we are extremely sceptical that the government is serious in this bill and that is why we say that the central feature that marks so much of the legislation that we debate in this parliament which comes from this government is that it is strong on the weak and very weak on the strong.

Mr WAKELIN (Grey) (10.13 a.m.)—I listened to the member for Lilley and his interesting attack on the government in that he believes that there should be social security for the genuinely needy; he believes that there should be targeted assistance. Yet he went on to attack this government because that is exactly what this government has been doing. The one thing that we need to highlight this morning in terms of how to best help those in genuine need is to have an economy in which employment opportunities have the best ability to flourish. If you want some evidence of an economy and a government that are committed to exactly that, we have only to look back over the last three or four years.

When we think about the Labor Party’s performance in government, with those punishing interest rates, we think particularly about the lead-up to the 1996 election, when the Labor Treasurer of the day promised faithfully that he would attack high wealth individuals who allegedly were not paying their full share of tax. The question arises of why no attack had been made on those allegedly high wealth individuals in the previous 13 years. Here we have a government that clearly has identified an issue where those people who hold significant assets have perhaps been, in some cases, accessing social security benefits in a way which is not equitable for the rest of the community. Whatever the history may have been, I remind the member for Lilley that not so long ago the Labor Party was in government, having ignored this for very many years. In terms of the negotiations, the discussions and the submissions that were made to the department with respect to framing this legislation, it is a real testimony to the minister and the executive that they have gone about this with such great care.

I certainly acknowledge that the use of private companies and trusts has increased over the last 10 years. It is apparent that there has been an ability to arrange affairs in a way which—as
both I and, I think, the member for Lilley acknowledge—is not equitable or fair on the rest of the community in terms of access to the social security system. Therefore, these measures were announced in the 2000-01 budget. One particular area that I would like to highlight is the careful negotiations for people who are in special circumstances so that, in making our system fairer, we ensure there is no unintended consequence for those people.

The member for Lilley commented that the ALP reserved the right to amend the legislation in regard to primary production. I was pleased that he noted that there are struggling primary producers in our country who have to deal with world export markets, who in many cases are still suffering the consequences of the absolutely punishing interest rates of Labor and who have had to deal in a very hostile business environment. Whilst I am pleased that as shadow spokesman he acknowledged those struggling primary producers, I note with some apprehension that Labor, if ever it were to gain the Treasury benches, well might attack this legislation in a way which is certainly not intended by this government. I repeat that the ALP, according to the shadow spokesman, reserves the right to have a very close look at struggling primary producers whom Labor may deem to be getting access to the social security system.

We note the flexibility provided for those in special circumstances. The secretary to the Department of Family and Community Services will have the discretion to not apply the measure, in order to avoid unfair or unintended circumstances. The existing means test concessions—for example, for forgone wages or assets hardship—available to farmers who own their own property outright, will be extended where practicable to farmers who control the family farm through a trust. But farmers in limited circumstances, including where they have no access to the income or capital of the trust and where the value of the farm is no more than $750,000, will be able to retain control over the disposal of the property without having the value of the farm assets attributed to them.

This is a sensible mechanism, because agriculture is a long-term project. People have committed their lives, and their life savings are accumulated in these assets. Therefore, I am grateful that these considerations were given and that the work in sensible negotiation that went in from the farmers organisations, the rural counsellors network, the NFF—a whole range of people—has been able to bring these matters to the fore and have them implemented in this legislation.

In conclusion, I commend the government for allowing the implementation to take place in 2002. It gives reasonable opportunities for people to arrange their affairs. One criticism I have always had of government is that if you are too precipitous about these things it is very unfair. It is unfair to have suddenly to rearrange a lifetime’s capital structure. I commend the executive and the minister for the way in which they have allowed a reasonable lead time. It is a very clear-cut piece of legislation. It does target the social security system in a more appropriate way. It addresses the areas of genuine need that the Labor Party appears to pay lip service to. However, I note the comments that the ALP may well attack certain measures, particularly in the area of primary producers, at a later point. The suggestion that this coalition government punishes those on lower incomes can be quite easily disputed, indeed refuted, when we look at this legislation. Those in regional Australia and those particularly in many areas of primary production are genuinely the lowest income earners in Australia. To suggest that this government is punishing those lower income people, particularly people who are contributing to the export effort, I find quite offensive. I would ask the Labor Party to rethink this concept. People who happen to live in regional Australia and are primary producers may well be on much lower incomes than those people in the metropolitan areas of Australia traditionally thought by the ALP to be in more difficult circumstances.

Ms JULIE BISHOP (Curtin) (10.22 a.m.)—Last night as I was considering the detail of the Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and
Private Companies—Integrity of Means Testing) Bill 2000 which is before the chamber this morning, I reflected that it is welfare reform that is indeed Australia’s next great challenge. The coalition government, cognisant of this reform challenge, commissioned a report prepared by the Welfare Reform Reference Group, chaired by Mr Patrick McClure from Mission Australia. It was released just over a fortnight ago. This report provides an independent and considered review of what I suggest is the single most important social policy issue in Australia at this time, in the year marking the beginning of the 21st century. I commend the report to members of the chamber and I look forward to the response of the government to the report’s recommendations and observations. My commendation extends beyond the members of the coalition to the members of the opposition and the minor parties. Welfare reform cannot be ignored nor can it be addressed with rhetoric or entitlement based slogans. The approach adopted by the government offers Australia the chance for bipartisan reform that will benefit both Australian taxpayers and recipients of welfare. But listening to the member for Lilley this morning, one is again dismayed at the lack of commitment to a bipartisan approach to some of these matters.

As I was considering this challenge for Australia for this decade, the next decade and beyond, I reflected as to what has been achieved during this last century. By all accounts it was one of the bloodiest centuries on record. It was a century of tyranny, theft, disorder, revolution and expansive state power. Yet the scale of the grief and trauma experienced across the globe in the 20th century serves to highlight the progress and justice achieved during that time. Tyrants were laid low, disorder remedied and murderous states smothered in their sleep and brought crashing to the ground. But perhaps the most important triumph of the 20th century was the triumph of the common man and woman—the victory over want and disease. I could not help but think that in our contemporary lives we do not appreciate the deprivations and unfulfilled needs of those who came before us. Too often, I suggest, there are some who are seduced by the romantic nostalgia of the past—nostalgia often based on their insights into what they perceive to be the world of the privileged rather than that of the many. We can easily recognise this phenomenon in the yearnings of many postmodern men and women for the ‘authenticity’ and ‘spiritualism’ of earlier life. In these imaginings, people rarely encounter the pollution, the depravity and the hunger of common life before the so-called ‘ravages’ of materialism. They do not visualise the squalid streets, the lack of clean water, the narrow and shallow diet, the dark and cold nights and the burden of hard labour.

The 20th century saw the unparalleled expansion of material wealth and prosperity across and throughout populations. It was in the interwar period that electricity, light, transport and mass communications reached beyond the so-called elite. And, in the years following the Second World War, it was material prosperity that exponentially lifted the standard of living of individuals and families in Australia, New Zealand, Britain, the United States and elsewhere. Material prosperity can be a symbol of liberation that can mean much more than any revolution or expropriation committed in the name of the poor. As I listened to the member for Lilley, I thought, ‘Oh, here we go again—the old class divide mantra.’

The American intellectual Thomas Sowell has noted: what do the poor need? They need the opportunity to not be poor. And how can that be created, except by the creation of wealth? And which modern societal model is the only one to achieve sustainable material progress? The free, liberal, democratic and commercial society—a society such as that in Australia, in which the achievement of individuals, families and firms is buttressed by a social security safety net that was intended not for lifestyle choices but for the temporary protection of families and individuals buffeted by fortune or circumstance; a system that recognises the sacrifices of those who defended this nation in times of crisis and the contribution of those whose labour built a free and strong country here at the edge of the world.
Successive governments have recognised that the sustainability of our social security system, which now consumes around $63 billion annually—almost 10 per cent of Australia’s total income—and, by consequence, the future efficacy of social security for the aged and impoverished, the returned service people and the job seeker, is reliant on fiscal discipline, mutual responsibility and a commitment to the system as a safety net rather than a spider’s web.

The coalition government’s record in this regard is admirable and stands in stark contrast to the ‘do-nothing’ Labor Party. While tackling Commonwealth debt and deficit—an action that served to provide immediate benefits to poorer Australians by driving down inflation and unemployment and maintaining interest rates—the coalition has initiated the family tax payment—

A division having been called in the House of Representatives—

Sitting suspended from 10.28 a.m. to 10.43 a.m.

Ms JULIE BISHOP—I was looking at what the coalition has achieved. It initiated the family tax payment. It created an agency, Centrelink, and an employment network, Job Network, to serve families and job seekers rather than public service unions. We guaranteed that age pensions would be at least 25 per cent of male total average weekly earnings. We have extended pharmaceutical benefits to 220,000 self-funded retirees. We have increased the domiciliary nursing care benefit. We have introduced the youth allowance. We have simplified family assistance. We have introduced the pension bonus scheme to reward hard-working older Australians. And we have saved taxpayers over $1 billion by closing loopholes and enforcing social security laws. It is a record of which we are proud. As we tackle the broader reform of welfare, amendments and improvements continue to be made to the present system.

One such significant amendment is the Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000 before the House today. This amendment bill has been necessitated by announced changes to the means testing of pension applicants. The reform of means testing was foreshadowed in the 2000-01 federal budget. That was a budget that also foreshadowed a renewed compliance strategy including measures to improve the control of incorrect payments and fraud through research and development projects, improved data matching with employment records, increased review of rent assistance and a publicity campaign to deter fraud and reinforce the integrity of the social security system.

Trust structures, contrary to the assertions of some, have a perfectly legitimate place in the financial arrangements of individuals and families. In fact entire sections of the community, such as farmers, rely on these structures to facilitate their business operations and protect interests that are confined not to a person but to many associated persons. The nature of trusts and private companies does, however, mean that some people have been able to access the assets and income of the trust although they do not own the assets held within the trust. In turn, those assets are not considered by the social security means test.

This reform will restore equity to the treatment of a person in those circumstances and a person who holds assets in their own name by attributing to controlling stakeholders in trusts and companies the assets and income of the trust or company for the purposes of applying the social security and veterans’ affairs means test. This attribution will identify controlling stakeholders through either of two tests: first, the control test, based on the exercise of the control of the trust for personal benefit; second, the source test, which is based on the ultimate source of the funds held in an interposed structure. As the attribution process may generate concerns about the methods and information used in testing, I am pleased to note that a person...
who has concerns about the process of attribution may access the normal appeals available through the social security system.

Farmers have a particular interest in trust affairs and, as such, they have been accorded a concession where farming property is held in a family trust. Under the reformed means test, a farmer may still pass on the farm business to a younger relative while retaining some powers in regard to the title deed. So long as the farmer does not derive a financial benefit from this action, the assets or income of the trust will not be considered as part of the pension means test and nor will farmers be prevented, where eligible, from accessing the Retirement Assistance for Farmers Scheme, asset hardship provisions, the pension loans scheme and aggregation or forgone wages concessions.

The bill before the House will therefore amend both social security and taxation law to allow the Commissioner of Taxation to share information with the Department of Family and Community Services and the Department of Veterans’ Affairs so that those departments might utilise that information, including trust tax file numbers, in their operations. The present laws already allow for information sharing, but the reforms before us today will allow for the implementation of the new rules governing means testing for pensions. These new rules apply from 1 January 2002. It is ridiculous for the member for Lilley to suggest that in some way this is too long or a mischievous act. It is equitable. It is fair to give people time to arrange what could have been a lifelong structure, a lifelong arrangement. Concerns have been raised in some quarters about the impact of this amendment on the privacy of those involved. However, these reforms have, in that regard, been scrutinised and signed off by both the Attorney-General’s Department and the federal Privacy Commissioner.

The amendment bill will facilitate the means testing rules previously announced by the government, and those rules will be a further reinforcement of the social security system’s integrity. This reform measure is expected to generate more than $100 million in annual savings. We have come far in our quest to support those who need support. We have come far in our quest to retain the integrity of our social security system. We have more to do, more to achieve. I commend this bill to the chamber.

Mr HAWKER (Wannon) (10.49 a.m.)—I would like to briefly touch on a couple of aspects of the Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000, particularly as it relates to the use of tax file numbers, and I refer to a report that I tabled in the parliament last week on tax file numbers. I reinforce the words that the member for Curtin used when she was talking about the coalition’s record on welfare reform and looking after the less privileged people in society. I think the coalition has an excellent record and certainly one that is way ahead of the Labor Party. It is always curious to note that the Labor Party do all the bleating about their concerns for the less well-off, and yet when it comes to actually delivering on that it always seems to be the coalition that does the hard work and gets the results. Again, with the discussion that is now going on in welfare reform we will again see the coalition leading the way as we have done so often in recent decades.

The Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000 will come into effect from 1 January 2002 when assets and income of private trusts and companies will be treated as personal assets and income for the purposes of means testing for social security and veterans’ affairs pensions. These announcements were made in the last budget. As the member for Curtin has already highlighted, and I reinforce, people involved in farming and agriculture—and there are a large number in my electorate—have for very valid reasons used trusts as a means of protecting their asset. For those who are not aware, with farming it is so often absolutely imperative to protect an asset so that if, for example, in the next generation there...
was a family break-up that asset is not put at risk, because once you reduce the size of a farm in many cases it is no longer a viable entity. So not only do you have the trauma, possibly, of a marital break-up but also you have the situation where often the older generation lose their means of livelihood. So that is a very valid reason why trusts are a perfectly legitimate way of protecting assets for farmers and not, as some would like to imply, a means of avoiding tax.

As a consequence, this bill does recognise that and has a measure for farmers who are holding their property in a family trust. It makes it clear that a farmer may pass that farming business onto a younger family member and still retain some powers in regard to the trust deed, such as a limited power over disposal of the property, and as long as no financial benefit is derived by the gift the assets or income of the trust will not be taken into account under the pension means test.

It is also pointed out that this measure will not prevent access, subject to the normal eligibility criteria, to the retirement assistance for farmers scheme, asset hardship provisions, pension loan scheme, and aggregation and forgone wage concessions. All of those, I think, are perfectly reasonable and they recognise some of the unique aspects in the farming community and the difficulties that many people in the farming community have been facing in recent years when they endeavour to pass their farm onto the next generation without paying a very high penalty.

I would like now to turn to the question of the use of tax file numbers, because this bill is talking about amending the social security and taxation laws to provide information, including trust tax file numbers, to the Departments of Social Security and Veterans’ Affairs. It is worth noting that the tax file number system does play a very important role in government, certainly in collecting tax. In fact, as we pointed out in the report which I tabled last week, over $110 billion of taxation revenue is collected with the assistance of tax file numbers.

But the concern that we really have about this is the integrity of the system. One of the things that we mentioned in this report is the fact that there are over five million more tax file numbers on issue than there are taxpayers in Australia. Nearly $500 million of tax that should be collected is not being collected. And there are something like 250,000—nearly a quarter of a million—duplicate tax file numbers which, again, raises some questions about the effect that this may have on the integrity of the system. Obviously, when we talk about expanding the use of tax file numbers we believe very firmly that the time has come to tighten up the whole register of tax file numbers so that we do not have this situation.

For example, the Audit Office found in a sample match that 62 per cent of people who had died were not recorded as dead, and 40 per cent of deregistered companies were still recorded as active in a sampling match of tax file numbers. It is very important that if we are going to use tax file number as a means of identification, as this legislation does, that we have a system we have confidence in. When you have got so many surplus tax file numbers out there for people to use or abuse, it does raise very real questions. I hope that the minister, in his summing up, will say that he too will add his weight to the tax office taking note of this report so that we can see the whole system tightened up. As members of parliament, all of us would be horrified if the electoral commission did not clean up its rolls in relation to deceased people, yet, unfortunately, the tax office has not been quite so diligent.

If we look at the growth in identity fraud there are some quite frightening statistics there. For example, Westpac did a survey of people opening bank accounts around Sydney and found that 13 per cent of those applying to open a bank account were using a forged birth certificate as the means of identification. What we have to remember with all these systems is that once you get into the loop of being identified with a certain document you can then transpose that into something else, and the tax file number is just one example of this. Of course, with the extension of the tax system to include the Australian Business Number—and
when we consider that one of the primary identifiers for the issue of an Australian Business Number is a tax file number—then we have to ensure that the whole system is tightened up so that we have integrity in our tax file number system and we also have integrity in the issuing of Australian Business Numbers.

I certainly support the bill. The bill represents a useful move to ensure that people are not given loopholes to abuse the welfare system, while at the same time it offers protection for those who quite genuinely have reasons to continue to have access through trusts to holding control of things like a family farm. I certainly commend the bill to the House. I believe that it offers an opportunity to make our welfare system even fairer, but I would again emphasise that as we are using the tax file number in this bill, it is very important that we also improve the integrity of the tax file number system.

Mr ANTHONY (Richmond—Minister for Community Services) (10.57 a.m.)—in reply—I certainly would like to thank all members from both sides of the House for their contribution to the debate on the Social Security and Veterans’ Entitlements Legislation Amendment (Private Trusts and Private Companies—Integrity of Means Testing) Bill 2000, particularly the member for Grey, the member for Curtin, and the member for Wannon, who made some fairly lucid remarks at the end of his speech today regarding the integrity of the Australian taxation system and ways of improving it.

The purpose of this measure is to restore equity and integrity to the social security and veterans’ affairs means test. Social security payments are intended for people who are unable to adequately support themselves. Social security payments are targeted to those most in need through a means test and assessment of the person’s available income and assets. Successive governments have held that the means test is the fairest way to ensure that taxpayers’ funds for social security purposes are targeted to those greatest in need.

Under the current social security and veterans’ affairs legislation, assets and income are only attributed to a person where legal ownership or fixed right to income is established. Assets held in private trusts and companies cannot generally be assessed under the social security means test. What this means is that individuals can currently arrange their affairs such that they use private trusts and companies to hold and control assets outside the current means test. The result is that some quite wealthy people can receive income support payments. If allowed to continue, this approach by individuals is likely to undermine public confidence in the taxpayer funded income support system.

The idea that some individuals may be treated more favourably than others because of the way they choose to arrange their affairs is completely at odds with one of the fundamental principles of the social security system. People with similar levels of private resources should receive similar levels of payment. By changing the means test through the measures in this bill, the government seeks to maintain an affordable and sustainable income support system and is committed to targeting benefits to those most in need.

The government estimates that fewer than one per cent of all income support recipients will be affected by this measure—approximately 35,000 existing Centrelink customers and 2,500 Veterans Affairs’ customers. Of these, approximately half will have their payments reduced and half will have their payments cancelled. Despite the relatively small number of customers affected, the government expects to achieve significant savings to the taxpayer of more than $100 million per year from the commencement of the measure.

The change proposed by the measure is that, when a private trust or private company is recognised as a designated private trust or company, the assets and income of these private trusts and private structures may be attributed to a person who controls, or has contributed to, these structures. Two alternative tests will be applied. The first of these is the control test. Often the controller of a structure can be considered to be the de facto owner of the structure’s
assets where he or she can use the assets for his or her own purpose or benefit. The test will also make it possible to determine who is the ultimate or actual controller of a structure.

The second test is the source test, which is designed to identify the original source of assets in a trust or company. The source may need to be traced back through several intermediaries. Generally a person transferring assets to a private trust or company does so because the assets will continue to be used for that person’s benefit or for their family’s benefit. The source test will apply only to contributions made to structures after 7.30 p.m. on 9 May 2000. A source test of assets is appropriate because a person transferring assets to a private trust or company generally does so because the assets will continue to be used either for that person’s benefit or for their family’s benefit.

Once it has been established that a person passes the control of the source test, the facts of each person’s case will be examined closely to determine the extent to which the assets and income of the relevant private trust or company will be attributed to the person. This process will be guided by decision-making principles that will be set down in a disallowable instrument. Policy guidelines will also be publicly available. The discretion that applies to this measure is necessary to ensure that the operation of the measure is not overly restrictive and does not create unintended consequences. Normal review processes will be available to people who are dissatisfied with the decisions resulting from the attribution process.

The measure will commence on 1 January 2002. It is not retrospective. The legislation does apply to structures already in existence. However, for an individual to pass the control test and therefore have the structure, assets and income attributed to them, they will have to be in control of the structure on or after 1 January 2002. The legislation does not reduce any entitlements paid to Centrelink or Veterans’ Affairs customers before its commencement on 1 January 2002.

The measure was announced on budget night, so individuals and financial advisers will have sufficient time to acquaint themselves with the content and operation of the legislation prior to the commencement of the measure on 1 January 2002. As I have said, the government expects only a relatively small number of people to be affected by this measure. However, those who are affected will have considerable resources to support them. This measure will help to ensure that income support payments are targeted to those people most in need.

I stress that this measure is about ensuring that income support entitlements are based on a person’s level of resources, not on the way a person holds these resources. It is important for parliament to note that only trusts and companies of a small and private nature will be subject to this measure. Shares or units in publicly listed companies or unit trusts with more than 50 members are already assessed under the social security and veterans affairs’ means test. This bill in no way signifies discrimination against private trusts and companies as legal forms of holding investments and conducting business. However, attributing the income and assets of these structures to individuals involved in their operation addresses the inequity that exists under the current system whereby those kinds of closely held family structures can be employed as a way of avoiding the social security means test.

The bill will provide the power to the secretary to obtain taxpayer information from the tax office in relation to trusts. This will include the trust’s tax file numbers. Tax file numbers are the only unique identifiers to identify trusts. The use of the tax file number will ensure that customers can be sure that they are only attributed with the income or assets of the trust in which they are involved.

This bill recognises the importance of succession planning issues to the rural community and makes a special concession for farmers who hold their farming properties in a family trust. Through this concession retiring farmers will be able to hand the farm over to the next generation and to retain some limited powers in regard to the trust deed without the assets or
the income of the trust being assessed against the retiring farmer under the means test. The concession allows retiring farmers a power of veto in the event of a sale or a break-up of the farm, therefore ensuring that a farm stays in the family. The concessions will be available to all primary producers whose primary production assets are less than $750,000 and whose average income in the preceding three years is less than $28,200. These amounts are subject to indexation. Existing means test provisions, such as asset hardship, pension loan scheme, aggregation and forgone wages, will where applicable be extended to primary producers who hold their primary production assets in a private trust.

The government consulted with the rural community and a number of peak bodies in formulating the measures that provide concessions to the primary producers. A retiring farmer will also retain a power to appoint a new trustee in the event of the death or the invalidity of a current trustee. This government is committed to maintaining an affordable, sustainable social security system that supports the most vulnerable in our community and those in genuine need. The bill contains provisions to disregard income and/or assets if appropriate. This will ensure that people are not treated unfairly by this measure. This bill removes the inequitable and inconsistent treatment under the existing income test that provides a more favourable treatment for people who hold their assets in private trusts or companies. As a result, the bill will encourage self-provision by those who are able to support themselves.

This bill ensures that the income support entitlements will be based on a person’s level of resources and not on the way in which a person holds their resources. I would like to also just note the cooperation of a number of members of the department who have been very involved in this and members of the coalition who have been involved in the formulation of the legislation. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Ordered that the bill be reported to the House without amendment.

HEALTH INSURANCE AMENDMENT (RURAL AND REMOTE AREA MEDICAL PRACTITIONERS) BILL 2000

Second Reading

Debate resumed from 31 August, on motion by Dr Wooldridge:

That the bill be now read a second time.

Mr SNOWDON (Northern Territory) (11.08 a.m.)—I am pleased to be able to participate in this debate, not least because I live in a rural and remote area. This bill relates—I hope—particularly to people in my community. The Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000 implements the government’s Medical Rural Bonded Scholarship Scheme. The May budget provides $32.4 million over four years to create 100 scholarships of $20,000 per annum. These scholarships will be offered to new medical students each year in return for a commitment to practise in rural areas for a period of six years at the completion of their medical training and GP or specialist fellowship.

Section 19ABA of this bill provides legislative framework for the Commonwealth to enforce the bond. If a medical practitioner breaches the commitment to work in a rural or remote area the Commonwealth will be able to restrict payment of Medicare benefits in respect to that practitioner’s services. Bonded practitioners in breach of contract can have their Medicare benefit payments restricted for twice the period they agreed to work in a rural or remote area—that is, 12 years. It will also be an offence for a medical practitioner for whom a Medicare benefit is payable as a result of section 19ABA to render a professional
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service without first having taken steps to inform the patient that a Medicare benefit is not payable for the practitioner’s professional services.

It is worth pointing out that, prior to the last election, the ALP went to the election with a health policy which included a bonded scholarship scheme of $20,000 per year for up to 100 students. I am pleased to see that the government has adopted that policy. We do not mind sharing them, to be very truthful. I have to say that this is not the only area of health in rural areas where the government has adopted policies or initiatives which were developed by Labor prior to the 1996 election. In this instance, I refer to the coordinated care trials which are currently working out of the Tiwi Islands and the Katherine West Health Board. I am pleased to see that the government has supported those health trials, because I think they are a demonstration of how well community based health services can be worked, provided they have appropriate levels of funding. These coordinated care trials are based on the provision of moneys through the MBF and PBS schemes. They are fully funded, cashed out and working very effectively.

I think this bonded scheme is very attractive, although I do have some reservations. I am actually toying with the idea as to how young people, even though they are being remunerated at $20,000 a year for the time of their training, might be able to foresee what they might want to do 12 or 15 years hence. Effectively, what we are doing here is asking young people—not only young people, obviously, but presumably in most instances they will be young people—to undertake a contract to provide their services for a period after they have graduated, after they have finished their fellowship training.

I am not a medical practitioner, but on the assumption that you passed each unit, passed each year and did all the work—and you were 18 when you started—you would probably finish your training by the time you were in your mid to late 20s. Then you would be asked to provide a period of service that would take you into your early or mid 30s. I have no objection to the fundamental principle, but I believe we are asking a great deal of young people in relation to this issue and I wonder how the government proposes to deal with varying the requirements should people have an appropriate excuse.

For example, I am interested—and I have looked through the legislation—in how one might define ‘rural and remote’. If the government member at the table can point me to it, I would be very pleased, but in the legislation before us there is nothing which defines what ‘rural and remote’ is. Presumably, ‘rural’ could be Bungendore which, if you are in Bungendore, is not unreasonable. ‘Remote’ might be Crookwell. I doubt it, but that might not be unreasonable either. What is the emphasis going to be? How are these doctors going to be spread? Who is going to determine where they are going to go?

I make this observation: in the case of the Northern Territory, there are only a small number of medical practitioners operating in really remote communities. There is only one private GP that I am aware of who works at Borroloola. I know that the Northern Territory government has had great difficulty in attracting medical practitioners to Groote Eylandt, for example. I know that since the coordinated care trial has been appropriately funded at Katherine West, we now have two new medical practitioners at Daguragu and Lajamanu. That is as a result of another initiative, but it does raise the serious question as to how the government proposes to direct that these medical students, once graduated, should work in particular communities. I would be interested to know if there is a mechanism for that to happen.

Then, what about once they get there? Let us assume that somehow or other you have attracted a young doctor to go and work at, say, the Kintore Homelands Health Service at Kintore in the Western Desert of the Northern Territory. Presumably, a structure will be put in place that will provide for the professional development of that medical practitioner so that
that practitioner is in a position to be able to move from place to place within that remote area and, it might well be, after a period of time—say, three years for professional development purposes.

Doctors—and not only doctors but other health staff—have to work in these really remote communities which are unlike Bungendore—they are not accessible easily by normal communications mechanisms; air transport is periodic, if at all; road transport is very difficult; and at some times of the year these communities are very isolated. That raises a very serious question in my mind as to how you provide appropriate relief to those medical practitioners. I hope that, within this scheme, thought has been given to how you might foster the professional development of those practitioners, so that they are not put in the position of having to breach their bonds and so that you provide for their professional development. For example, it might be appropriate, after they have done two or three years of work in a bush community, to go and live in Adelaide, Melbourne or Perth for 12 months and, say, do a master’s in public health.

What is happening in remote Australia is that a relatively large number of doctors, certainly a number that I know who have worked in remote Aboriginal communities, which are primarily the communities I am referring to here, go on and do work in public health. In fact, the Director of VicHealth, Rob Moodie, is one such practitioner. He is a very good case in point. He is a person who came to work in Alice Springs for an Aboriginal community based health service. After some time—I am not sure, a couple of years—he went to Harvard to do a master’s in public health and then did work with the United Nations.

Are we saying to these young people that should they, somewhere along the line, get offered an opportunity which may be a very good service to Australian public health—indeed, the world’s public health system—then they will be penalised for moving out of the health system to go out to a regional and remote community and so they can no longer undertake their own professional development? I am concerned about that. I am not concerned with the general principle. The government, in picking up this idea of the Labor Party, has picked up on what I think is a very good approach. But what I do have at the back of my mind is this whole question of how you maintain the integrity of health services and, indeed, understand the human side to posting people to really remote communities.

I was talking with someone recently who works in an area of public administration in this town that is to do with providing services to Aboriginal communities. This person told me that, apart from themselves, not one other person working in that area had any experience of working directly with Aboriginal people. I hope that we are not in a situation here where we have got people making decisions about the postings of these graduates after they have finished their health service who themselves have no experience of these communities. I want to get some assurances here. One assumes, although I do not know, that there might be some freedom of choice as to where the doctors might move in these regional and remote communities. It becomes extremely attractive for some to work in particular places which can be readily regarded as rural and remote, whereas it is very unattractive to work in other places where the hardships are much greater.

In remote communities—and, to me, remote communities are those that are out of the urban centres of Alice Springs, Darwin or Katherine—there are real questions about maintaining standards, maintaining the interests of people, and looking after the interests of people who work in those communities. There are occupational health and safety issues with respect to personnel working in these communities. We need to ensure that these bonded students are given appropriate training to help them to prepare for the reality of life in the bush.
I am certain that that is not going to be overlooked. I hope that the Centre for Remote Health will be crucially involved in developing the training curricula for these medical practitioners. The people who work at the Centre for Remote Health—I know these people; I visited Dr John Wakerman and the other people who work there only a few weeks ago—are very conscious of the fact that, if you can get these people into the remote communities while they are training, the likelihood is that they will be attracted to go back there. I see that as being very important. It is also important to understand that we need to ensure that they get the infrastructure support that is required to maintain them whilst they are working. It involves a lot more than giving them 20 grand a year while they are students. I believe that a lot more thought about the long-term professional development of these people is required.

It is worth while noting that, when you talk to practitioners, they say that medical students who are properly sensitised to bush life during their training—in particular, in the case of the remote communities of northern Australia, to working with Aboriginal people—will often opt to take up bush life once they have graduated. Again, I reflect on the fact that that may be true for a short period, but there needs to be a process by which their long-term interest and involvement in those remote communities is maintained.

The doctor at Borroloola, Dr Fitzpatrick, has worked in this community for some years. He has worked effectively with the local community to ensure that he could live in an appropriate way, supporting the health needs and objectives of that community. That is true of the medical practitioners and other health personnel, both nursing staff and health workers, who work in remote Aboriginal community based health services. Their degree of dedication and professionalism is extremely important. I have regular contact with most of these remote health organisations, including CRANA and the Australian College of Rural and Remote Medicine. I think we need to appreciate that it is all very well to attract medical practitioners to these regions, but we have got to make a similar provision in terms of resources for other medical staff. We should not be deluded into believing that the provision of medical practitioners is, of itself, going to provide the panacea for improving health outcomes, because clearly it will not.

We must base our objectives in terms of health on what is good public health practice, understanding all the inputs that go into improving health outcomes in communities, which often means looking at environmental health issues such as housing and water. Often, these are more important than having a medical practitioner present. I am sorry to say that sufficient resources for this task have not been provided.

I also mention the role of Aboriginal health workers. Again, it is all very well to have highly trained medical practitioners, but the first point of contact for health care in most rural communities in my electorate is the Aboriginal health worker. These health workers do not have appropriate professional recognition, in my view, although the staff they work with rely upon them and they acknowledge their importance to their work. Nor are they properly remunerated.

It seems to me that, if we are going to improve health outcomes in Aboriginal communities in particular, and in rural Australia in general, we have to do a great deal more in looking at ancillary health staff. Aside from the people commonly seen in hospitals and medical practices in places like Canberra and Sydney—nursing sisters, doctors—we ought to be talking about those other staff, particularly in these remote Aboriginal communities, and how we can foster their professional development to support the work of those we are spending so much money on to train to work there as medical practitioners. For this purpose it is extremely important, in my view, that the government and, indeed, the Labor Party, think very seriously about how they can develop and help support the requirements of these health
workers. I know that a health worker organisation has had great difficulty in getting recognition in terms of the work it does and getting funding for the resources it needs.

I am very concerned about the state of Aboriginal health. I understand also the need to ensure that we have got the provision of medical practitioners in remote communities, in particular. I do not live in New South Wales so I cannot comment on the nature of medical practice in Bungendore, but I can comment on the nature of medical practice and the need for medical practitioners in remote communities in the Northern Territory. I can also comment on what other aspects of health care we should be looking at. While the government is looking at doctors, it should also take a hard look at its approach to private medical insurance as it applies to remote Australia. It is a bit rich, forcing people to pay for private health insurance when they have no access whatsoever to private health facilities. The Northern Territory has one private hospital and another ward is to be built in Alice Springs.

It is no use expecting people in these rural communities to have access to private health care by paying private health insurance. Don’t be deluded into thinking that if you live in remote Australia you have access to it, because you haven’t. Recently, a constituent who currently lives at Borroloola told me she had had a painful lump on her hand for more than two years. Her doctor is in Darwin but she was examined by a doctor from Katherine, who said that surgery at Borroloola would be too much of a risk. She pays for private medical insurance. Darwin found her a slot—remember, she lives in Borroloola—but the aeromedical service declined to transport her to Darwin. What is the use of that?

Frankly, people who live in remote Australia demand more from the government than they are currently being given. As I have been saying for some time now, this push for private health insurance does absolutely nothing to assist people in the bulk of my electorate. It does nothing to assist people who live in the north-west of Western Australia and the north of South Australia. There are no private medical facilities, yet we are led to believe that somehow or other forcing these people to pay private health insurance will benefit them. What we know is that they are being penalised, not only because they are out of pocket but because of the lack of service.

I do think this initiative of the government in terms of providing these medical practitioners is a good one. I have given my views about its shortcomings. (Time expired)

Mr CHARLES (La Trobe) (11.28 a.m.)—Last Friday, I took the opportunity to visit First Step, a clinic for rapid detoxification of heroin addicts incorporating after-treatment care and maintenance so that they may once again become useful citizens in our community. This is achieved, hopefully, by offering a rapid detoxification program that is affordable to any person genuinely wishing to kick their habit; treating the patients with warmth and affection, cherishing and not chastising them; offering treatment in an informal, caring manner; advising patients of after-treatment facilities available to assist them regain control of their lives and their self-esteem; and developing in their volunteers a strong quality control culture, together with an enthusiastic, caring and optimistic outlook.

Friends and constituents of mine, Peter and Lindy White, have established the First Step clinic at 42 Carlisle Street, St Kilda. They have done so because they had a daughter who was addicted to heroin. She had visited, with their assistance, a clinic in Western Australia and is now a valuable member once again of the community, having rid herself of the scourge of heroin.

The clinic is not established as a money-making proposition. It is based entirely on Dr George O’Neil’s practice in Western Australia, which I will describe briefly. In 1997 Dr George O’Neil started treating heroin addicts with a naltrexone rapid detoxification program in Western Australia. Since the start of the program in Perth, the death rate from heroin overdose—which had been increasing by 35 per cent per annum—has declined. In contrast,
the Victorian death rate from opiate overdose has risen from 180 deaths in 1997 to 359 deaths in 1999. There are rapid detoxification programs available commercially in Victoria but they require hospitalisation and cost up to $4,500. Very few addicts can afford this treatment plus the ongoing monthly cost of approximately $220 for naltrexone—about which I will say more later. First Step treats addicts regardless of their financial circumstances—although addicts or their families are requested to donate $200 to First Step when they are financially able to do so. In the long term, these payments will substantially fund ongoing treatment.

Visiting the clinic last Friday was an unbelievable experience. I met and talked with the resident physician, Dr Simon Rose, who believes that he can cure up to 25 heroin addicts a week through the clinic. I talked to the nurses, the carers, a priest, medical doctors visiting from other jurisdictions, addicts, former addicts, those undergoing treatment, their carers and others. It was an uplifting experience. The clinic is a happy place. I do not know what most of us imagine heroin addiction or heroin addicts are like. In 1992, the Labor member for Port Adelaide and I co-sponsored a motion before the House of Representatives calling for a ministry of youth affairs. In support of that speech, I went out onto the streets in Dandenong for some six hours one Friday night amongst young people who had become street people and who were on drugs. I watched drug deals and visited needle exchanges. It was not a happy experience. My visit to the First Step clinic was a happy experience. Why? It was because the people were so full of hope. Those who had been treated a month or six weeks earlier were there to help those who were receiving treatment on the day that I visited. More about that later.

The basic procedure involves a patient being partially sedated and treated with narcan, which is naloxone, while their vital life signs are monitored throughout. The procedure flushes the heroin or methadone off of the opiate receptors and it takes between 20 minutes to a maximum of one hour depending on the degree of heroin addiction. Patients have four to six hours to recover from the shock to their system. It is critical that they then go home and take a tablet of naltrexone, generally crushed, once a day for up to one year as maintenance. The naltrexone is what prevents them from wanting to go back on heroin.

The purpose of my contribution today is to call upon the Pharmaceutical Benefits Advisory Committee to put naltrexone on the pharmaceutical benefits list for opiate dependence as well as for alcohol dependence, which is currently listed. My plea is supported by Dr Jon Currie, the Director, Western Sydney Area Health Service, Drug and Alcohol Service, Westmead Hospital.

Dr Currie and his colleagues have recently undertaken a long-term series of clinical trials which I would like to describe today. This clinical trial information has not yet been published. Dr Currie tells me that he has posted it to the United States, where it will be published in a medical journal. He has allowed me to report to the parliament—and, indeed, to the nation—the results of his long-term study into the use of naltrexone. The trial was called, ‘A randomized clinical trial of anesthesia-assisted versus sedation-assisted techniques, and a comparison with conventional detoxification’. It was a randomised clinical trial to compare those two techniques in relation to the efficacy of successful induction onto naltrexone, patient safety, patient acceptability, operational feasibility, and service costs within the public health system.

To compare the techniques of anesthesia assisted and sedation assisted rapid induction onto naltrexone with conventional naltrexone induction following conventional detoxification, they treated and examined a combined total of 150 patients. In the study there were 90 males and 60 females with a mean age of 30.5 years. The rate for successful induction onto naltrexone, anaesthesia assisted, was 98 per cent and for sedation assisted it was 99 per cent. The figure
for conventional in-patient detoxification induction was 37 per cent and the figure for conventional ambulatory detoxification induction was a rotten 17 per cent.

The anaesthesia assisted mean duration of patient stay was 1.5 days and for sedation assisted it was 1.8 days. They asked the patients later: ‘If necessary, would you have the procedure again?’ or, ‘Would you recommend it to a friend?’ The figure for ‘definitely’ was 81.5 per cent; ‘probably’, 15.7 per cent; ‘definitely/probably’, 97.2 per cent; ‘definitely not’, less than two per cent. With respect to people remaining in medical treatment after 12 months, the figure for those who had been on heroin was 75 per cent; and for those who had been on methadone treatment it was 87 per cent. With respect to the figures for those known or presumed to have relapsed to dependent heroin use—heroin, 25 per cent; methadone, 13 per cent. I would have thought that was a highly effective program which reduces the dependence by our citizens on this horrible drug, heroin.

With respect to the conclusions and recommendations of this clinical trial, Dr Currie says that, within the public health system, the techniques for rapid induction onto naltrexone for developing this project were safe, highly effective, cost efficient and very acceptable to patients. The cost per successful induction onto naltrexone is significantly less for the rapid induction techniques than for conventional detoxification techniques. Dr Currie says that the treatment procedure should not be conducted in stand-alone facilities but should only be available within clinical services where most or all treatment options, including methadone maintenance, are available intercurrently.

He is saying that patients, after undergoing rapid detoxification and maintaining their heroin or methadone free status with naltrexone, also need a bit of care or assistance. Sometimes they need psychological help and guidance in order to get back into the community and back into a real-worth life. It is clear from this longitudinal study that rapid detoxification and maintenance with naltrexone is effective and should be cost effective. It is important that the Pharmaceutical Benefits Advisory Committee does put naltrexone on the PBS schedule. We want people to become less drug dependent. We want them to get off their use of heroin and become citizens again. We make it very hard for them.

A number of the former heroin addicts that I talked to on the day I was at the clinic told me about their experiences. I will not give you their real names but perhaps I could share a bit of that with you. Joan—let us say—is 28 years old and she has been using heroin for seven years. She started on recreational drugs, which she used for about 18 months, then she went clean for a whole three months. Then she went on heroin and has been on it ever since. The minimum use during that time was 3.5 grams per day. The highest cost of her drug use, when heroin was more expensive than it is today, was $2,500 per day. Obviously she did not earn that in a regular job like most of our citizens. How did she earn the money? She said there were only two methods available to her: prostitution and dealing. As her habit got worse she went more to dealing.

She explained to me about getting caught up in a cycle of dependence and how it becomes an absolute cycle that controls your life. She said that she had to get up at 7.30 in the morning in order to meet her supplier at 8 o’clock and give her supplier the money for that day’s worth of drugs, which she would sell on the street. Then she would go home and take a little bit off the top and mix it up. She said it becomes a real procedure. You must mix it exactly the same way every day, put it in the syringe the same way and then approach the injection in your body the same way, and you do this over and over again. She would take the hit and start to feel almost normal again. Then she would go out on the street and sell drugs, come back two hours later, take another little bit off the top and inject herself again. The cycle just went on and on and she could not get out of it. She told me that she is a singer in a band and it took her
It took four tries—I have to tell you—in rapid detox to get Joan off heroin. She has been clean for six weeks and is now coming to grips with her life. But she made the point to me when she said, ‘Bob, I cannot go out and do what I did before to earn money. I cannot go back and prostitute myself, and I am certainly not going to go and sell drugs. So the only money I have is what comes from the Commonwealth government. Yet the Commonwealth government also asks me to spend $220 a month on average for naltrexone so that I stay off the heroin, off the streets and out of prostitution.’ I make the simple point that we are willing to subsidise methadone, which is just a replacement for heroin—another opiate in chemical form—but apparently we are not willing to subsidise naltrexone to keep opiate dependent people off their opiate dependency and back in the community.

A second individual, Ruth, got a bit depressed so she started using heroin. Ruth subsidised her dependency with prostitution. Her usage cost about $200 a day. She said, ‘Bob, I cannot do what I did. I couldn’t go out on the street and jump in a car with a bloke and do the kinds of things that I did when I was on heroin.’ She has been clean only three weeks but she said, ‘I have to be dependent on the government until I get all this out of my system and everything starts working again, and that $200 makes a lot of difference.’

Then there is young Mark. I followed the whole procedure through with Mark. Mark was there on the table—just like an operating table—with all his clinical life signs being monitored. I was introduced and we shook hands and he said, ‘Gee, it’s nice to see you here. I was here on this table same time last week. I have to tell you the truth, I chickened out. I said no and I walked out—I was too frightened.’ He went on, ‘Bob, I have been on heroin for a year and I have to get off it. It is driving me absolutely insane. I cannot live like this any longer. So hang onto my hand, mate. They are going to pump Narcan into me and I am going to go clean.’

The sedatives did not actually put him to sleep—he is a pretty strong bloke. An hour later when he was lying down on a mattress recovering, he was still wide-awake. We had a chat and while I was talking to some of the other people, we shook hands again. I said, ‘Goodbye,’ He said, ‘Thanks for coming; thanks for coming to help; thanks for caring.’ And all I could say to him was, ‘Mate, take your Naltrexone and stay off the heroin.’

Jim was from Queensland and was a millionaire several times over. He got a bit alcohol dependent and often tried a few recreational drugs. He lost his wife and then his millions, and he became totally heroin dependent. I do not know how he made the money to support his habit. Jim has been clean for a month now and hopes to rebuild his life and become a normal, regular member of the community again.

This issue is just as important for rural and regional Australia as it is for the cities, and I have taken the time of the Main Committee today to talk about it because I believe it is so important. The Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000 is also important. It is important that we get doctors into the regions, into the country. My electorate of La Trobe has had problems for years because it has not been able to get enough doctors to service some of the outlying areas, and I have spoken about that in this place previously.

Some clinics in my electorate have been trying to hire doctors for 3½ years. They cannot hire anybody, and yet we are close to the city. Because of the nature of the topography, some of the villages are isolated around Mount Dandenong, in the ranges, and the same is true for the electorate of the member for McMillan. We share a common boundary through Pakenham, and there are problems in Pakenham in being able to get enough doctors to service
those areas. This is a fantastic initiative by the minister and I applaud and thank him for bringing it forward, and I thank the government for supporting it.

A state-wide study has found an increased heroin use in regional and rural Victoria. The chairman of the Victorian Rural Heroin and Methadone Project, Dr Rodger Brough, said:... evidence tabled in the report Between a rock and a hard place showed that more country people were involved in methadone programs and needle exchanges.

This would seem to indicate a growth in the number of people with heroin addictions in country Victoria ...

My comments about Naltrexone are just as appropriate to the country as they are to the city. I conclude with the ultimate paragraph of a letter that Peter White sent to me on behalf of his clinic, The First Step. He said:

I seek your assistance in promoting a prompt positive response from the government to put Naltrexone on the Public Benefits Scheme. Whilst the bureaucrats are bumbling lives are lost. You Could Help!

Kind regards.

Mr MARTIN FERGUSON (Batman) (11.48 a.m.)—I would like to acknowledge the contribution by the previous speaker, the member for La Trobe. In doing so, I suggest to the House that the drug problem that he has spoken of in the suburbs that he represents is also as big in rural, remote and regional Australia. For that reason, I think this Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000 is about trying to get our health care system right. He is also correct to point out that, whilst the intent of this bill is to try and provide better access to doctors in rural and remote areas, the truth is that, in some suburbs of our capital cities, for whatever reason, we have difficulties in attracting doctors. Maybe it is high time that, in addition to the measures laid out in the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000, some members of our medical fraternity face up to the fact that the community has made a very considerable investment in their training in their training. In thinking about where they practice—be it in rural and remote Australia or in some of the other suburbs of social dislocation and disadvantage in metropolitan Australia—they should think about returning an investment in their training to the Australian community by being willing to practise in some of those areas in the future.

In that vein, the Labor party very much supports the intent of the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill. The bill implements the government’s Medical Rural Bonded Scholarship Scheme. When you think about scholarships, it is a return in some ways to yesteryear. Looking around the House, some of us commenced our teacher training on the basis of assistance by government in the form of a bond and access to teacher training, in return for which we agreed to serve wherever the government chose to post us to ensure that, in return for the education and support during our period of education, we as the beneficiaries gave something back to the Australian community.

It is that very principle that is central to the bill before the House this afternoon. The May budget provided $32.4 million over four years to create 100 scholarships of $20,000 per annum, so we are talking about a not inconsiderable amount of assistance to people who win these scholarships. They will be offered to new medical students each year, in return for a commitment to practise in rural areas for a period of six years at the completion of their medical training and GP or specialist fellowship. I think that is exceptionally important. They will be required to actually give something back to the Australian community for the investment the Australian community has made at considerable cost to ordinary taxpayers, including taxpayers in rural and remote areas, for the training they have been given in some of the best universities in the world.
The bill is basically saying to these people, ‘In return for the investment we have made in your training, you are required to give something back to the Australian community.’ That is what we require in Australia at the moment—a sense of community by which those of us who are given something by the Australian community are required to front up to our responsibility to give something back. And I tell you that being trained as a medical practitioner at the Australian community’s expense is not a bad start in life. To be given an offer of a bond and scholarship and access to work in rural and remote Australia is actually a very good start in life.

Section 19ABA of the bill provides the legislative framework for the Commonwealth to enforce the bond, and so the Commonwealth ought to have a right and an ability to enforce the bond. In essence, if you accept this bond, you are giving the Australian community an undertaking—you are shaking hands with the Australian community—that you will honour your side of the bargain. If an individual then chooses to walk away from their responsibility, the Commonwealth, on behalf of the taxpayer, is entitled to have a legislative framework to enforce the other side of the bargain. The fact is that someone has accepted the offer of assistance to train and then chosen, for whatever reason, to walk away from his or her responsibilities to the Australian community. If the medical practitioner breaches the commitment to work in rural or remote areas, the Commonwealth will be able to restrict payments of medical benefits for that practitioner’s services. It will also be an offence for a medical practitioner for whom a Medicare benefit is not payable as a result of section 19ABA to render a professional service without first informing the patient that a Medicare benefit is not payable for the practitioner’s professional services. When a person enters into an arrangement with the Australian taxpayer to accept training and a scholarship, he or she will know their full responsibilities and what penalties or liabilities exist if he or she in the future walks away from their side of the bargain.

The shadow minister, the member for Jagajaga, will be detailing some of our concerns with respect to the application of these principles, but they are right, in essence, in that they are seeking to establish a process by which we all understand our side of the bargain as part of this bill. The problem in some ways is that it is not clear from the legislation what the nature of the contract between the government and the doctors will be in relation to the penalties that would apply in exceptional circumstances. I raise that because, whilst I am very supportive of the fact that there ought to be penalties in place, there are exceptional circumstances that do arise from time to time and an individual ought to have a right to raise those exceptional circumstances for the purposes of establishing a process with government to be able to be excluded or exempted from the application of the penalties. But, having said that, the penalties and the method of dealing with people who freely choose, in non-exceptional circumstances, to walk away from their responsibilities must be in place. What we will seek to do through the contribution of the shadow minister is to clarify that.

I would also point out in passing that at the last federal election Labor proposed a bonded scholarship scheme of $20,000 per year for up to 100 medical students. Labor’s policy required medical graduates to work in a rural area of need for the same number of years for which they receive the scholarships. It would have been good to see the minister for health acknowledge this—the fact that both sides of the House can make a practical contribution to good policy in this country.

Like the shadow minister for health, I travel extensively throughout rural and regional Australia. What I hear in relation to health care is not the same in every place, but there are some common themes that I wish to detail to the Main Committee today. While we consider health care to be a fundamental right of all Australians, the reality is that in regional Australia we have some special difficulties. These difficulties are characterised by, for example, the poorer health status of its residents compared to their metropolitan counterparts, the appalling...
health status of Aboriginal and Torres Strait Islander communities, the excessive mortality
and morbidity of other groups such as the agricultural and mining workforce, and the dis-proportionate disadvantage confronting older persons in rural and remote communities.

Obviously on both sides of the House much has been said and will continue to be said
about the Aboriginal and Torres Strait Islander people’s health needs. There is room for all
of us to improve our performance with respect to the delivery of opportunities to improve the
health of Aboriginal and Torres Strait Islanders throughout the length and breadth of
Australia. More can be done and should be done. The issue of Aboriginal health must be
given the highest priority in an urgent attempt to address and improve the health status of the
indigenous community around Australia.

Without going any further into this issue, I suggest that there needs to be a full assessment
of which recommendations from the National Aboriginal Health Strategy and the deaths in
custody and Bringing them home reports have not been implemented, and the reasons why. I
raise this issue today because I think this is very important: when the community actually
makes a considerable investment in time and energy in the preparation of such reports, there
is an obligation on the policy makers and our departmental representatives to audit on a
regular basis the recommendations that arise from these reports; to assess where, as a result of
these recommendations, we have been able to improve the health of our indigenous
community; and also to face up to our responsibilities to accept honestly where we have failed
with respect to the implementation or part implementation of some of those
recommendations.

In the same vein, at a rural and remote community level there is a need for mechanisms to
evaluate improved coordination between governments at all levels, across government sectors
and between governments and other agencies, For rural and remote Australia that is
exceptionally important. That was one of the key recommendations of the regional summit of
October last year held in this Parliament House. And that summit actually spoke about the
need for better coordination at a government level.

When I spoke about the need for better coordination between local, state and federal
government, I was speaking about all levels and areas of the government’s service delivery
model. Health care is an integral part of what the regional summit was about. It was about the
better delivery and coordination of health services across all spheres of government. It was
also about ensuring that, irrespective of who is in government—be it different governments or
the variety of political persuasions at those levels—there is an obligation on all
representatives to at times put aside their political differences and to try to work out how we
can get that better coordination. What better area to start in than the delivery of health
services—a fundamental right of access and opportunity and quality for all Australians,
irrespective of where they live.

I believe our priorities and strategies must explicitly aim to close the gaps between
metropolitan and rural, remote and regional health differentials. I also believe we have to face
up to the fact that, from a metropolitan point of view, there are significant differences in the
delivery of health services between suburbs in places such as Sydney and Melbourne. That is
also in some ways related to the fact that some of our medical practitioners are unwilling to
actually live and work in what they call the more disadvantaged suburbs of metropolitan
Australia. I stress a need to all policy makers that, in addition to our endeavours to improve
delivery of rural and remote health services, we also start to give some consideration to the
difficulties touched on, for example, by the member for La Trobe this morning and also by me
in my own contribution.

That raises what I regard as an exceptionally important issue, because I think it is part of
how we deliver services in the Australian community today. I suggest to the Main Committee
that communities must be empowered to meet their health needs and to maximise the scope of partnerships between communities, governments and non-government and business organisations. Perhaps it is about creating new ways of delivering services around Australia, including health services. In order to ensure that empowerment operates, empowerment for our communities requires resources, not governments allowing our public health care and our hospital system to actually run down.

Mr Deputy Speaker, you and I both know that for some time now there have been problems in attracting and training medical practitioners in rural and remote areas in Australia—not just doctors, which is the nature of the bill before the House today, but also nurses, pharmacists and other health professionals. We might succeed with this bill in actually doing something about doctors. I then suggest to the House that, as a community, you actually have to give some thought about what we do to try to attract and retain in rural and remote Australia the other medical services that we require, such as nurses, pharmacists and other health professionals.

The obvious undersupply of health practitioners in rural areas gives rise not only to underservicing and unmet need but also to higher patient copayments compared with urban areas. You need only to look at the facts and you start to understand the sorts of disincentives practitioners face. When I talk about these disincentives, I am not just talking about doctors; I am talking about a range of people who actually work in rural and remote Australia, including nurses, dentists, teachers and police officers. You can name them as well as I can.

I argue that, in thinking about how we deliver better health services in rural and remote areas, we should actually look beyond the bill before the House today and start to give consideration to how we make it more attractive to these people to not only practice in rural and remote Australia but also to remain in rural and remote Australia and build a brighter future for rural and remote Australia. Just think, for example, about the turnover of GPs in rural areas. It is far greater than in other areas. Think about the average hours worked by rural practitioners, the fact that they are far higher. Think about the higher proportion of GPs on call. The number of hours on call is much higher, but it is suggested that the economic returns are typically lower.

Another point that is often understated is how difficult it is to support families moving to rural areas, particularly when a partner works and when children have particular educational needs. We as a community have also got to think about other services needed in rural and remote Australia beyond the intent and the capacity of the bill before the House today. It should not just be about putting the heavy finger on medical practitioners in the form of penalties if they do not remain in rural and remote Australia. We should be working out how, over time, we can make it attractive for people who want to work in rural and remote Australia to take their families there. We are thinking about more than the nature of the bill that is before the House today; we are thinking about the delivery of other government services which go hand in hand with someone wanting to live and work in rural and remote Australia.

There is a health care crisis in rural and remote areas of Australia. We all know it, and that is why we are jointly here today, on both sides of the parliament, to get this bill right. Our shadow minister is right to raise any concerns that she has with the bill. More importantly, the government should listen to those concerns, take them on board and think about whether or not they can improve the delivery of medical services to rural and remote Australia by picking up any of the suggestions made by our shadow minister. We should not have closed eyes if we are about having the best possible delivery of government services.

I suggest that the lack of access to timely and comprehensive health care is a serious concern. We will not address this as a community unless we understand the need to get skilled
health professionals into these areas, as well as tapping into specialist expertise beyond the community, whether it is in regional areas or capital cities. There is a need to ensure that we have a skills development strategy that suits the medical profession and the people who rely on it. That must involve getting the incentives right, whilst also ensuring access for citizens and fairness. It is a right for all Australians.

We all know that there is a broad debate about the skills deficit in rural communities, particularly as high-skilled young people leave for employment or educational opportunities in the regional centres or capital cities. In high-skill occupations, there are new opportunities emerging through distance learning, through incentives to encourage people to leave for study and return, and through incentives to attract professionals from both within Australia and overseas. This problem is a common one in regional Australia, not just in the medical profession. It relates, as I have said, not only to medical professionals but also to teachers, carers and welfare workers, to name a few—unfortunately, more and more across a variety of areas of need in regional Australia. And increasing demand is not being matched by supply.

There are a number of services required to meet the health and lifestyle needs of people in regional Australia. Access to specialist services and modern technological facilities must be a priority for regional centres and must be developed as part of an approach that improves access for people in regional Australia. Of course, if we are truly concerned about the health and welfare of people in rural and remote Australia, we must invest in the facilities that most rely on—our public hospitals. (Time expired)

Dr NELSON (Bradfield) (12.08 p.m.)—It is with a great sense of satisfaction and pride that I speak in the debate on the Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000. In a former life, when I was president of the Australian Medical Association, at the time that I stepped down from that position in 1995 there were five country doctors a week leaving the bush. There were a range of good initiatives which the previous government had undertaken to try to reverse that trend, and a whole range of holistic measures are now being undertaken by this government to not only stop that but to very much reverse it.

The member for Batman spoke quite correctly about the need for a holistic range of measures or a package to attract not just doctors but nurses, psychologists, podiatrists and others to regional and rural Australia, and keep them there. The Rural Bonded Scholarship Scheme, for example, is just one part of a range of measures undertaken by this government. This year’s budget committed $562 million to bridging the city-country health divide. It was a two-pronged package, which included a series of measures to address the chronic shortage of medical practitioners and a longer term strategy—of which this bill is one significant instalment—to encourage younger people to take up the practice of medicine in country Australia.

As the member of Batman alluded to, the budget announced a $210 million increase to support the number of doctors, nurses, psychologists and other health professionals. Another $162 million has been committed to providing further medical training for doctors and graduates, and there is $185 million for extending regional health services in aged care, child health, community care, substance abuse and mental health—all things that, quite rightly, the member for Batman has called for. At present in city areas and electorates such as mine we have, on average, one doctor serving 1,000 people—in fact, the ratio is less than that in my area. Once you go beyond the Opera House and the relative comfort of our major cities, you might find one doctor for 1,500 or 2,500 people.

Following the release of this year’s budget, the minister said that the rural bonded scholarships would build on the government’s $200 million payment scheme that currently rewards general practitioners for staying in the bush and establishes a number of new

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**Thursday, 7 September 2000**

**MAIN COMMITTEE**

20551

**REPRESENTATIVES**
scholarships and rural support schemes. The government also announced this year an extra 50
general practitioner registrar training positions specifically for rural areas, which means that
young doctors have opportunities to train specifically for practice in rural Australia. Some
$49.5 million dollars was announced over four years to increase a range of services that
support the retention of country doctors, including providing more nurses for general
practices, more psychologists and podiatrists. Another $49 million has been allocated this
year to establish the infrastructure funding necessary to take specialists out to country areas to
provide services, and of course there is the Rural Bonded Scholarship Scheme, to which this
bill gives effect.

We also announced in the budget the establishment of nine new clinical schools in
medicine and three new university departments of rural health to ensure that every Australian
medical faculty has a country training facility. Small bush hospitals and community nursing
homes also benefited from a $30 million commitment to identifying and supporting private
facilities and making them more viable and relevant to local communities. From that small
snapshot of what the government is actually doing, it becomes fairly clear that this
government and this minister—I presume, from what I have heard this morning, supported by
the opposition—are taking meaningful steps to get doctors into rural Australia and keep them
there.

I have practised medicine in country areas and I take my hat off to any doctor or allied
health care professional who is prepared to service country Australia. I remember doing
locums for country doctors. On the first occasion, the fellow and his family went on holiday
and left me with the house, the cars, the practice and the patients in the hospital. I thought,
‘Oh, this will be a nice three-week stint in a nice country area’—it was down the Huon Valley
way, with which you will be very familiar, Mr Deputy Speaker.

Your day normally starts at about 6 a.m., usually with telephone calls. People ring wanting
advice or wanting to see you before the surgery starts, or the hospital calls because they want
you to go there and see someone who is unwell. Even though you would leave for work at
about 7.30 a.m., people would commonly—in fact, every second day—knock on the door of
your house seeking treatment before you even got to work. You would then have a morning
session with between 35 and 50 patients and in your lunch break—and I use that term
figuratively—you would spend an hour at the local hospital seeing patients and attending to
the management issues and problems that the nurses raised. You would return to the practice,
usually doing a couple of home visits on the way, leave the surgery at about 6.30 p.m. and do
another home visit on the way home. You would finally get home at about 8.30 p.m. and there
would be more knocks on the door and phone calls. You would get to bed at about 11 o’clock
and every night you would get at least one phone call.

On average every third night you would be out of bed to do a home visit. You would be
looking for a red letterbox next to a log on the side of the road 40 kilometres from the house.
In fact, one of the home visits I did, I drove 30 kilometres to arrive at a farm to find that the
patient was a cow. The cow had hypocalcaemic tetany. I was trying to find a vein in the
foreleg of this cow. I struggled a bit with that, got intravenous access, and gave this cow a
calcium infusion. I said to the farmer, ‘Would Dr Bloggs—the doctor I was doing a locum
for—normally do this?’ He said, ‘Oh, yeah.’ So I asked him, ‘Well why do you call a doctor
when you’ve got a sick cow?’ He said, ‘Because it’s a quarter of the price of getting a vet.’ In
terms of wondering why it is so difficult to get doctors into rural Australia that just gives you
some little insight into it. In my years doing locums I did half a dozen for country doctors and
they have my greatest respect and admiration.

I will give further perspective to what this bill is about. One of my medical colleagues and
friend is a great woman called Dr Leanne Rowe whom I met with her husband when they
were working in a remote Aboriginal community in 1994 when I was up in the Cape. She and her husband spent 13 years practising at Bannockburn in rural Victoria. When she finished she wrote me a letter. I would like to read some of this to the House because I think it is worth reflecting on. She wrote:

My experience of rural Victoria as a medical student was overshadowed by a heated argument between the GP and his wife. She was ‘sacrificing her life in this hole of a place’ and she stormed out to visit her children at boarding school in Melbourne. I was also relieved to return to Melbourne to see my friends who told more stories of loneliness and the horrors of the country. One of the students was sickened when she visited a farm where she visited the castration of lambs—made much worse by the fact that the farmers used their teeth! We both ended up in practices in rural areas, not because of our experiences as medical students—in spite of them.

As a member of the Victorian Health Minister’s Committee on the Medical Workforce, a female doctor, a doctor’s spouse, and having lived in the country for the last thirteen years, I would like to discuss the realities of current strategies for overcoming the maldistribution of general practitioners, and possible solutions.

This was written four years ago. She went on:

The problems have been discussed many times, and include professional isolation, continuing education, the availability of locum services, and male and female spouse issues—

In the real world, many GPs do not trust the short term government initiatives and incentives, which have been implemented at the same time as, cut-backs and closures of country hospitals. [General practice trainees] are not guaranteed for all terms, a rural locum program is difficult to access for a well-planned medical course, let alone for an emergency illness, a family wedding or a friend’s funeral, the rural incentives program buys good will which has doubtful resale value and just covers the expenses of the time consuming process of moving house.

The things that are really difficult about staying in the country are your enmeshment within the community, the professional and moral obligation to be on call all the time, the burn-out and the isolation. It’s having to keep your composure when you feel cold and nauseated, and you are called at midnight for someone who has had a headache all week (and you know you will have an argument about Pethidine). It’s being ignored in the street by someone you have reported for child abuse. It’s remaining professional when your own child is victimised at school by one of your patients. It’s being called out to a cardiac arrest in the middle of a lunch with friends you haven’t seen for a year. It’s being reminded at the kindergarten that your husband missed a mother’s delivery because you had the gall to take one weekend off. It’s answering a knock at the door at 2 am to a tearful teenage boy who requests the morning-after pill for his girlfriend as the condom broke 20 minutes ago (‘and her father will kill him’). It’s listening to your own baby screaming for a breastfeed while you are resuscitating a choking child who has been rushed to your home by his parents. It’s having your supermarket shopping prolonged by a patient who asks for your advice about his haemorrhoids. It’s taking your children on a long awaited outing and stopping at a motor car accident, where instead they are entertained by fire engines, police ambulances and a helicopter, unsupervised in the back of your car. It is unbandaging your neighbour’s hand at your kitchen table at 11 pm and finding that he amputated his finger when he fell off the haystack that morning. (‘Well, who else was going to milk the cows?’). It’s having a well known teenage boy die in your arms in front of his mother, due to an accident on the main street, and having to counsel a community’s grief when you feel you cannot contain your own.

It takes time to be accepted in a rural community. It is worse if you are female or from a non-English speaking background. Narrow attitudes are perhaps not more common in the country, but much closer to the surface - you hear about them. Enmeshment in the community can be stifling - the impact of making a mistake has both personal and professional ramifications. Female doctors with children will know that in the country “good mothers don’t work” and child care is not only unavailable, but socially unacceptable. Being away from your extended family is difficult, particularly when they answer your requests for help with, “Well, you chose to go to the country.”

She continued:
Perhaps replenishment rather than retention of GPs is the answer to the crisis in the country ... there is a need for long term, reliable initiatives.

Many city GPs believe it is too difficult to obtain the skills to go into the country. Because we have been brainwashed in city teaching hospitals by consultants. GPs are becoming terrified of the thought of doing even minor surgery, let alone anaesthetics, and obstetrics. Rural areas also have a great need for GPs with skills in managing problems such as youth suicide, aboriginal health problems and postnatal depression.

Being in the same rural town for 13 years also makes your curriculum vitae look a little empty. I have also felt discouraged more than once by the question, “why are you wasting your life out there?”

Although I am now glad to move on, I can’t quite let go of the good things. It’s the rare insight into other growing families’ lives, the privilege of having their trust, the continuity of care, the attachment to the land, fresh air and solitude.

The Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000 gives effect to that extremely poignant, graphic and accurate picture of what it was like to practise medicine in rural Australia four years ago. I am sure it is still, by and large, the same today, notwithstanding significant sums of money that have been sent there. It is, as Dr Rowe suggested, part of a long-term strategy. A total of 100 new medical students will receive $20,000 a year to study medicine on the condition that they agree to work in a rural community for six years on completion of their postgraduate medical training as a general practitioner or as a specialist.

If doctors breach the contract, they will not have access to a Medicare provider number to practise wherever they like for up to 12 years. This means that an extra 100 doctors a year will go into rural areas once the first cohort graduate from final training about six to 10 years from now. Those who breach their contract to service rural Australia can work in a public hospital, go into research, work in an Aboriginal medical service, or work in corporations and government authorities.

I think some of the criticism made of this scheme by some sections of the medical profession is petulant and being made in a vacuum of understanding of what changes are being worked into our society. The people in these communities whom these proposals are intended to serve are at the epicentre of the economic and social changes being wrought in this country. These are people who live and work in communities where entire industries are disappearing. Their hard work and taxes basically finance the education not only of medical practitioners but of a whole range of professional people whose services they so desperately need.

The worst-case scenario for someone who goes into a bonded scholarship and signs up for this—and by definition they are not unintelligent people—is not that you are going to be unemployed or lose your house or feel a sense of shame that you are of no value to society. The worst-case scenario is that you might have to work in a public hospital or go and work in a highly paid job in a private corporation or go and do some medical research or work in an Aboriginal community. There are many people I represent in a relatively affluent electorate who would wish that such things were visited upon them, yet sections of the medical profession are saying that this scheme is an aberration. Personally, I think some of my colleagues in the medical profession need to be led to an understanding that these sorts of decisions are very much in a societal interest. They should very much support them, notwithstanding some of the legitimate concerns put up by the member for Batman.

It means that 100 Australians are going to study medicine who would otherwise not have the opportunity to do so. People who would otherwise not be able to get a medical education and lead a fulfilling life practising medicine will be able to do so. The legislative nature of the scheme is necessary to ensure that Australian taxpayers receive a fair deal, a fair return for their investment. Nonetheless, there is a provision for the minister to waive, under exceptional
circumstances, the period of work in rural Australia. That is critically important. I notice that the AMA has said that perhaps it ought to be decided by some sort of independent tribunal or committee. That is not something to which I am personally wedded. In the end, the minister of the day—whatever it is; whatever political party is in government—needs the authority to determine whether a waiver will be provided or not, and may well take the advice of an independent committee, if one is so empanelled. Some have suggested that the six-year clock should start ticking earlier. This would mean that inadequately and not yet fully trained doctors would be providing service in rural Australia.

The member for Batman said that this was a very prescriptive thing. There are a lot of innovative things that the government has done. One of the things announced in the budget is that, having graduated, you can work off your HECS debt for each year of service, I think up to five years, in a rural area. That is an innovative strategy which means that a person graduating from medicine can say, ‘I’m going to deal with my HECS debt by doing some community service in areas where I’m needed, as defined by the definitions of what is rural and what is regional.’

So we have got $20,000 per year for each year of an undergraduate course to a maximum of four years, for those in a graduate course, and six years for those in a traditional six-year program. The scholarship is taxable and the usual HECS arrangements would apply. The student must undertake six continuous years of service in a rural area. If there is a breach of contract, if you fail to graduate, if you fail to obtain a fellowship or if you do not complete the six years of rural service, a penalty will be applied. It means repaying the money with interest and not being given a Medicare provider number to practise wherever you want to practise for 12 years, minus the years already served in a country area.

This initiative was proposed by the Australian Medical Association. It was something that I promoted when I was there. I notice that the AMA is disappointed by, if not hostile to, the fact that the arrangements are not—

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The gentleman should not enter through that door; that is on the floor of the House. Strangers should come in by the other door.

Dr NELSON—Thanks, Mr Deputy Speaker, I really appreciate that. It was very helpful.

Mr DEPUTY SPEAKER—I hope you were not too startled.

Mr NELSON—Yes, Mr Deputy Speaker. With respect to the criticisms that have been made by the AMA about it not being as they might have intended, I say: life is a two-way street. The people whose taxes and hard work are funding the medical education and the provision of services, and private practitioners who are working in the system underwritten by the taxpayer through Medicare, must reasonably accept that to get 100 kids into a medical course who otherwise would not get access to an education, and to get them to service areas where they are desperately needed by people who are losing their livelihoods in industries that are disappearing from under them, is very much a fair deal. I think the provisions in terms of compliance are ones that ought to be supported by everybody.

Debate (on motion by Mr Hawker) adjourned.

ADJOURNMENT

Motion (by Mr Hawker) proposed:
That the Main Committee do now adjourn.

Goods and Services Tax: Petrol Prices

Ms JANN McFARLANE (Stirling) (12.29 p.m.)—I have been inundated by calls at my electorate office over the last couple of months about the dramatic rise in petrol prices and how ordinary Australians are reeling from it. Over the past week we have seen the
The Prime Minister blame the world oil prices; however, this is not the only factor. I want to concentrate on the tax we pay on petrol.

We would all remember an address to the nation made by the Prime Minister on 13 August 1998, when he said:

The GST will not increase the price of petrol for the ordinary motorist.

It is about time the Prime Minister delivered on his promise. I will now examine the rising world prices argument used by the Prime Minister. The government tells us that, for every $1 increase in the price of crude oil, there is a 0.8c rise at the petrol pump. My colleague the member for Lyons, however, in his speech on Monday, said that in winter 1998, the price of crude oil a barrel dropped to $14 and petrol was 69c at the pumps; as of 23 August, the price of crude oil a barrel was $32, a rise of $18. Eighteen times 0.8c is 14.4c. If you add this to the price of fuel in winter 1998, you come up with a petrol price of 83.4c. Yesterday, unleaded petrol was selling at the service station next to my office in Scarborough for 96.9c per litre. There is a lot of difference between the actual price of petrol and the price based on the government’s reasoning. Where does this difference come from? The Treasurer, on 7 September 1998, said:

The Government’s proposed New Tax System will not lead to any increase in petrol prices.

This is not true. The GST and excise on fuel have increased the price of petrol on top of movements in world oil prices. Indexing excise to inflation and a GST which increases as the retail price goes up are really hurting the average Australian motorist.

The Prime Minister is accusing the Labor Party of scaremongering on this issue. With this in mind I will examine the arguments of independent and Liberal sources on the impact of the GST and indexed excise on our petrol prices. The Australian Automobile Association has distributed a publication entitled Petrol prices—answers. In answer to the question, ‘Has excise gone down under the GST?’ the AAA makes this categorical statement:

No matter how it’s dressed up, if motorists were paying the same amount of tax on petrol today as they were paying on 30 June 2000, petrol would be 3 cents per litre cheaper.

The AAA then looks at another question:

Is it true that the Commonwealth does not benefit from higher GST because of higher petrol prices—that the states get all the GST?

The answer given is:

The bottom line is the Commonwealth will be better off by an amount equal to the extra GST from higher petrol prices—about $140 million above budget estimates based on current petrol prices.

I would now like to draw to the attention of the Main Committee comments by the Western Australian Premier, Richard Court, as reported in the West Australian newspaper some three weeks ago. I do not think I have ever agreed with Premier Court on anything. However, I suppose there is a first time for everything. The report stated:

Mr Court said the price of fuel did not have to increase as much as the CPI ratio. He wanted to prevent the expected February increase because it could worsen rising inflation and damage the economy. He said the inflation rate would run out of control under current Federal policy.

Mr Court raised an interesting point when he said that the inflation rate would run out of control under current federal policy. Again I find myself agreeing with him. Labor has been arguing for a long time that the GST is inflationary. Inflation causes an increase in the CPI, which then causes the indexed excise to rise. The Australian Automobile Association estimates that this will add around a further 2c per litre in tax in February 2001.

I oppose this further slug on the Australian motorist. I will be taking this issue to the people of Stirling in the form of a petition calling on the government to honour its promise that its
policies would not increase the price of petrol and other fuel. It will call for a full Senate inquiry into the taxation and pricing of petrol and also ask the House to consider the best way to return the fuel tax windfall to Australian motorists.

I would say this to the Prime Minister: the average Australian family is being badly burnt by these petrol price increases. They are hurting. I will do everything I can to help and to let you know their hurt. It is up to you and your government to fix it or face the consequences.

**Packer, Mr Kerry**

Mr LATHAM (Werriwa) (12.34 p.m.)—Last Thursday in the Main Committee I reflected on reports that Kerry Packer had lost $34 million at a Las Vegas casino. At no stage did I suggest that Mr Packer does not have the right to gamble his money away. My point was to question whether it was the right thing to do. I believe that this is a legitimate role for a parliamentarian—raising a public debate about the behaviour and responsibilities of corporate Australia. People in my electorate are talking about these issues all the time.

The most curious response to my comments has come from right-wing radio shock jocks and newspaper columnists. For 20 years these people have been running a commentary on the morality and behaviour of the disadvantaged, especially the unemployed, Aborigines and public housing tenants. This campaign has prepared the public ground for policies such as Work for the Dole. Mr Packer’s own *A Current Affair* program has consistently barrelled so-called dole bludgers. Who could forget, for instance, its treatment of the Paxton family?

Last week I simply applied these standards to the other end of society by talking about Mr Packer himself. And let me say, Mr Deputy Speaker, they do not like it one little bit. The opinionated Right has been quick to denounce me for being—you guessed it—opinionated. In fact, I have many more opinions about corporate Australia and I am quite keen to talk about them. Just this week it was announced that Australia’s biggest bank, the NAB, is being taken to the courts for price fixing. Another report has exposed the disgraceful labour practices of Nike in Third World nations. This is not just about Mr Packer—there is widespread public concern about the ethics and behaviour of corporate Australia.

I believe that mutual obligation should be applied at both ends of society—for the rich as much as the poor. In recent decades, corporations have won many more rights, particularly the right to trade and invest on a global scale. These rights need to be matched by corporate responsibilities. The role of the federal government should be to leverage these responsibilities in a commonsense way.

The Productivity Commission has reported that Australian governments outlay $18 billion each year in corporate welfare. Our parliaments need to introduce a code of corporate citizenship by which companies would only receive this assistance once they have complied with decent employment, social and environmental standards. The federal government should also demand from corporations a stronger commitment to the employment of people with disabilities and to the training of low skill, low income workers. In many countries, this is standard practice. In Australia, however, our standards for corporate responsibility and corporate citizenship remain quite weak. Under the current Prime Minister, they are slipping further behind the rest of the world.

It was incredible to hear Mr Howard last Friday describe Kerry Packer as a good corporate citizen. In 1991, Mr Packer told a parliamentary committee that:

> If anyone in this country doesn’t minimise their tax, they want their heads read.

Is this what the Prime Minister means by good corporate citizenship? In 1998-99, Mr Packer’s company Consolidated Press recorded a $1.25 billion profit yet paid no tax. Is this what the Prime Minister means by good corporate citizenship? In his excellent book, the *Rise and Rise of Kerry Packer*, Paul Barry details the numerous political deals and tax avoidance
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cases involving the Packer family. The Prime Minister’s defence of Packer has made a mockery of the government’s stance on mutual obligation.

Finally, I wish to thank the many people who have contacted my office with messages of support on this issue. If I can quote from just one of these letters, let me convey to the House the views of Mrs Eileen Sholl from Mount Stuart in Tasmania. She writes as follows:

For two years in Darwin I taught Aboriginal students from remote communities and will forever remember talking to them about the Industrial Revolution in England and the effects it had. After the ins and outs of it filtered through their minds, one of my students said “That’s not fair. Them rich fellas should have shared.”

That, for me, is the true meaning of mutual obligation—a society which respects the rights of its citizens, but also demands responsibility and a shared obligation to each other.

We all have an interest in these values—the rich, the poor and everyone in between. It is a shameful double standard that this government, however, only applies its policy of mutual obligation to poor Australians. That is not fair. Them rich fellas should have shared.

Cook Electorate: Olympic Torch Relay

Mr BAIRD (Cook) (12.38 p.m.)—I rise today as this is the last adjournment before we have the great event in Sydney, the Sydney Olympics. Next Monday night we have the Olympic flame coming into my electorate. There will be a very major reception at Tonkin Park and it is expected that between 50,000 and 100,000 people will come to celebrate the arrival of the flame in my electorate.

The next morning, at 5 o’clock, I will have the opportunity of running with the flame, following our various indigenous representatives who will be bringing it out from Kurnell and on the road to Cronulla. It is a great opportunity to be part of the Olympic journey of the flame, as the minister responsible for Sydney’s bid. The theme of that journey was ‘Share the spirit’ and that has continued to be the situation as the Olympic flame has moved around Australia. It has been a celebration of the ideals of the Olympic movement—higher, faster and stronger.

There is much, having been involved in the whole Olympic process, that I think we would wish were otherwise, but there is something that is pure in terms of the concepts, the ideal and the vision of the Olympics of Pierre de Coubertin, who established the modern Olympics in 1896, the first Olympics of the modern era, in Paris. In only a few days time we will see the opening ceremony.

I was chairman of the original committee that looked at whether we should go ahead with the bid for the Sydney Games that began in October 1990, so it is almost 10 years that I have been involved in the process. It is clear that the benefits for Australia are now to be seen. Not only has it brought together Australia and Sydney and the various communities and suburbs as they share in the world’s greatest sporting event that will be held right here inside our own borders, but there will be considerable benefits in terms of the new infrastructure in Sydney. Of course, all of that major infrastructure did not exist when we went to see that site at Homebush Bay on that windy morning at the end of October 1990.

It was an old abattoirs site. The wind was whistling through. There was nothing there. It certainly is a greatly transformed site now. The aquatic centre, the major stadium, the warm-up track, the gymnastics centre, the superdome area and all of the other facilities are a tremendous asset to Australia and to Sydney. It means that we can stage every modern game that is held, so the development of new infrastructure in the city is a great plus.

There are enormous benefits for our tourism industry. Tourism into Australia has already grown by nine per cent over the past 12 months. International visitors now number 4.7
But with the eyes of some four billion people worldwide on us, it is expected that we will reap the benefits of this for a long time to come.

In the number of conventions that Sydney bids for, we have a strike rate of some 80 per cent. In fact, Sydney now hosts more conventions and conferences than any other city in the world. Also, if you look at *Travel and Leisure* magazine and *Conde Nast* magazine, Sydney has been rated the number one tourism destination in the world for the past four years. Since we won the right to host the Olympics, it has lifted our profile in terms of tourism. The Australian Tourist Commission has done a wonderful job in capitalising on the opportunities in terms of bringing people to Australia.

There are benefits for Australian exports. They include bringing major corporation heads to the city; the way in which Austrade is capitalising, starting this weekend by bringing that supercat for entertaining international visitors; the investment we are seeing; and the $7½ billion that was spent as part of the infrastructure development has been important as well. So there are the trade opportunities, the investment opportunities, the tourism opportunities and finally what it will do for us as a community. It will bring alive all of our dreams and hopes in terms of the excellence of Australian sport and the professionalism of our young people, just to see to what extent we can reach those great Olympic ideals of higher, faster, stronger. I wish our team the best.

(Moore Electorate: Disability Funding)

**Dr WASHER (Moore) (12.43 p.m.)**—I am very pleased to bring to the attention of the House the extra funding received in my electorate of Moore to assist job seekers with disabilities into the work force. The federal government has been running a trial of new case-based funding for disability employment assistance. This involves using Centrelink officers to sit down with individual job seekers to assess their needs and see how best we can support them in looking for work.

Since the trial began last November, around 2,000 job seekers with disabilities have received assistance throughout Australia. However, none of the areas picked for this trial have been in the outer northern metropolitan suburbs in my electorate of Moore. I am very happy to report that both Joondalup and Warwick Grove Centrelink regions have been picked up in an expansion of this trial as part of a $455,000 allocation to Western Australia. This means that people with disabilities living in the outer northern suburbs will greatly benefit from this assistance.

The importance of helping people with disabilities find meaningful employment cannot be stressed enough. There are people with disabilities in my electorate and, indeed, many of them used to be my patients. They have an enormous amount to contribute to the work force. They are loyal, reliable and highly productive people. By being included in this trial, people with disabilities in the Joondalup area will have new opportunities open to them and this will hopefully lead many of them to their rightful place in the Australian work force.

**Main Committee adjourned at 12.45 p.m.**
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Australian Defence Force: Deployed Personnel**

(Question No. 1276)

Mr Laurie Ferguson asked the Prime Minister, upon notice, on 16 March 2000:

(1) Did he state in his media release of 7 March 2000 that the service by Australian troops in East Timor represented Australia’s most significant commitment of troops since World War II.

(2) Is he able to say, according to official records, how many Australian military personnel were deployed during the (a) Korean War, (b) Vietnam War, (c) Malayan Emergency and (d) Indonesian Confrontation.

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

(1) Yes. This was an inadvertent mistake and in no way intended to detract from the outstanding service of Australian forces in other campaigns, including in Korea and Vietnam. On the contrary, I have several times this year – for example, at the dedication of the Korean War Memorial in April in Canberra and during my visit to Korea in May – emphasised their service, their sacrifice and the debt all Australians owe to them. I have referred correctly to the significance of the East Timor commitment in all other statements I have made. For example, on the same day, 7 March, in an address to a Parliamentary lunch celebrating the achievements of Australians in East Timor, I said that the deployment was “the largest by Australia since the Vietnam War”.

(2) The Australian War Memorial has provided the following estimates of numbers deployed over the period of the designated conflicts:

(a) Korean War: 17,164
(b) Vietnam War: 49,968
(c) Malayan Emergency: 7,000 Army (No figures RAN and RAAF)
(d) Indonesian Confrontation: 3,500 Army (No figures RAN and RAAF).