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Tuesday, 28 November 2000

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

QUESTIONS WITHOUT NOTICE

Illegal Immigration: Woomera Detention Centre

Mr SCIACCA (2.01 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. I refer the minister to the allegations of the sexual abuse of a 12-year-old boy at the Woomera Detention Centre. Minister, do you recall in question time yesterday you said that you did not have specific dates about when you first became aware of the allegations? Are you aware that your departmental officer told a Senate committee last Wednesday that you were first informed in mid-July? Can you also confirm or deny the report in today’s Sydney Morning Herald that your spokesman said last night that you were first informed in late August? Is it not also the case that your office received a telephone call from a Mary Lindsay, followed by a letter on 18 April expressing her grave concerns about one young boy? Minister, which of these is true?

Mr RUDDOCK—One of the reasons that I did not seek to put before the parliament yesterday specific information about when information was brought to my attention was that I suspected that the honourable member might have something that I do not have, and that is in fact a letter from a lady called Mary Lindsay. My office has searched comprehensively to find such a letter, because there has been some scuttlebutt around that there may have been such a letter addressed to me. There is no record of it having been received in my office. I have not seen the letter. I would welcome the member for Bowman tabling it, because I would then be able to look at what it is he actually has.

In relation to the specific matters, the fact is that in August or at the end of July I was briefed on the fact that certain allegations had been made and that they were being investigated by the police and by the South Australian Department of Human Services. The first time I had any correspondence on the matter was the letter that was addressed to me and copied to the Leader of the Opposition to which I referred yesterday. The point I make is that there has been a thorough search of all the correspondence sent to me. The first time any of the people who are raising these sorts of matters wrote to me was in October—a letter which was copied to the Leader of the Opposition. I was briefed earlier by my department. They prepared what you would know as a ‘possible parliamentary question’, which never came but which dealt with this issue. My review of the situation at that time was that my officers had responded appropriately and that the relevant authorities that have the expertise to investigate these matters were doing so, those matters having been properly referred to them in some instances and the subject of individual complaints in others.

Mr Sciacca—Mr Speaker, I seek leave to table the letter that I referred to.

Mr RUDDOCK—Yes. I would like to see the letter that, it is alleged, has been sent to me.

Mr SPEAKER—Leave is granted.

South Australia: Motor Industry Investment

Dr SOUTHCOTT (2.05 p.m.)—My question is addressed to the Prime Minister. Is the Prime Minister aware of recent announcements regarding the motor vehicle industry in South Australia? What does this suggest about the climate for long-term investment in Australia?

Mr HOWARD—I thank the honourable member for Boothby for that question. It gives me an opportunity to welcome very warmly on behalf of the Australian government the announcement made today by Mitsubishi Motors Corporation, with the backing of DaimlerChrysler, that it will inject $172 million into its Australian operation. This is very good news for the motor industry in Australia, it is very good news for South Australia and it is very good news for the workers employed by the company in South Australia. It does demonstrate that the
company is serious about the future of Mitsubishi Australia and it represents a vote of confidence in the company’s Australian operation. I hope that this decision will boost the morale of Mitsubishi employees, particularly on the eve of Christmas. As honourable members on both sides of the House know, the motor manufacturing industry is quite fundamental to the South Australian economy, and any injection of funds of this magnitude in the motor industry in South Australia is extremely good news for the people of Adelaide and the people of South Australia.

I am very confident that the government can assist the company as it explores new export opportunities to the United States and the Middle East and takes advantage of the favourable exchange rate to increase its competitiveness in the export market. In the coming months, the federal government will continue to liaise closely with the company officials and ensure Mitsubishi Australia have a clear understanding of how assistance packages, in particular the new $2 billion Automotive Competitiveness and Investment Scheme, can assist them. I take the opportunity of pointing out that the government’s five-year freeze on automotive tariffs provides the opportunity for the industry to consolidate the improvements it has already made in recent years to its competitiveness. Our tax reform package is enormously beneficial to the motor car industry. It has no doubt been one of the elements that have encouraged the very significant and beneficial decision announced this morning.

This news adds to a number of very positive developments over and above the generic strength of the Australian economy—a number of developments that have helped the South Australian economy. The spectacular success of the Australian wine industry of course delivers enormous benefits to South Australia. The Darwin to Alice Springs railway at long last is going ahead—first promised in 1911. It is going to provide 18 months work for the employees of the steel industry in the city of Whyalla. The road funding announcement that the Deputy Prime Minister and I made yesterday has been very warmly welcomed in South Australia. There will not be any people sending the money back from South Australia. The pork will not be sent back from Whyalla, Port Pirie or, indeed, from any part of Adelaide. I understand that Labor members representing electorates in South Australia have been busy, as they should be, on the phone to their local councils, encouraging them to take advantage of the government’s injection of a very significant additional amount of money into the South Australian economy. This is a very good news day for the South Australian economy, it is very good news for the motor vehicle industry and it is another illustration of the great confidence of major long-term investors in the economic future of our country.
environment he was wrongly kept in for eight months after the incident. Is it the case that your department has had this document—that is, the incident report—on file since March? If so, why was it not made available to Family and Youth Services and the South Australia Police when they first investigated the allegations?

Mr RUDDOCK—It is the case that the document is what is known as an incident report. Departmental officers found it last Friday week on the file in Woomera, and it was on the Monday following that it was brought to the attention of the South Australian department and, as I said yesterday, was thought to be relevant. For that reason I initiated the inquiry in relation to procedures because, to my way of thinking, it is a serious matter if a document that might be relevant to an inquiry that has already been undertaken by Family and Youth Services was not available to them at the time. I do not know in whose hands it was. It may have been in the department’s; it may have been in the hands of the contractors. But they are the matters that I believe are appropriate for Mr Flood to examine in his investigation.

Can I seek your indulgence, Mr Speaker, to comment in relation to the earlier question that was put to me.

Mr SPEAKER—I will allow the minister to proceed and listen closely to his answer.

Mr RUDDOCK—The letter which it is said was addressed to me is addressed to Mr Smith. I am not going to comment further on the letter, save to say that there have been some suggestions that it has been around for some time. Mr Smith is, I believe, Mr Glenn Smith, the State Director of the Department of Immigration and Multicultural Affairs in South Australia. While it is not signed, he wrote a memorandum on 15 September to the parliamentary liaison section:

Reference Mary Lindsay.

I refer to correspondence to the minister on 11 September concerning Mary Lindsay. I can recall having a conversation with Miss Lindsay around that period outlined in the letter. Mary discussed with me the fact that she had been contacted by the Australian newspaper concerning the situation in Woomera or issues pertaining to TPVs generally. I recall that it was perhaps both topics. I also recall Miss Lindsay having worked as an IAAAS provider to a legal firm and that she had discontinued her services or the relationship had been ceased. No particular action arose from the discussion, as I was not in the position to offer direction to a private migration agent. I have no record of having received a fax from Miss Lindsay on the date outlined.

He goes on to say:

Unfortunately my then executive assistant no longer works with DIMA and I cannot confirm the events of the period or whether the letter was received. My diary shows that for the period 19/4 to 26/4 I was in Woomera. I do recall leaving for Woomera in a rather hurried circumstance at short notice. I was required to cover Woomera for the Easter-Anzac Day period. During that time, a faxed letter might have been mislaid.

He says:

I have no comment to offer as to how a letter faxed to me in April would subsequently relate to events that occurred in June.

Further, as I said, these matters have been the subject of some suggestion by the media that they have also received this correspondence. My media adviser wrote me a memorandum relating to this letter:

Minister, Mary Lindsay claims to have sent a letter to this office dated 18 April 2000 addressed to me. She is apparently claiming she mentioned allegations of child abuse in Woomera in the letter. I have no recollection of receiving a letter from Mary Lindsay. I do have a recollection of a phone conversation with Mary Lindsay on that date. My diary note of that conversation is attached. At no stage during that conversation did she raise issues of child abuse. The topic of conversation was her complaints against the law firm that she had been working for and the difficulties detainees were having in contacting their families by mail and phone.

Steve Ingram, my media adviser, wrote that on 27 November.

Business Activity Statements: Lodgment

Mr CHARLES (2.16 p.m.)—My question without notice is to the Treasurer. Would the Treasurer please provide the House with an update on lodgments of business activity statements, and could you at the same time, Treasurer, please advise us of how the experience to date compares with Australian Taxation Office expectations.
Mr COSTELLO—I thank the honourable member for La Trobe for his question. The Australian Taxation Office has been expecting between 1.6 and 1.7 million quarterly lodgements of the business activity statement. To date, there have been 1.5 million business activity statements lodged, which is a very high return given the fact that if you are lodging through an agent the time has not yet expired, provided the agent lodged 50 per cent by the due date on 11 November. More than that, around half of these 1.5 million lodgements came direct from business and not from tax agents, which again is a very high number. There was a Yellow Pages Small Business Index released today which asked a number of questions concerning the GST and the new tax system. It asked this question in November, interestingly enough, when the first quarterly returns were due:

How easy have you found the implementation of the GST overall?

And a majority—that is, 54 per cent—reported that they had found it either ‘very easy’ or ‘quite easy’. Twenty-nine per cent reported a little difficulty, but those who reported it as very difficult were a very low 13 per cent. In the same release today when small business was asked about its prime concerns, it cited the GST as the fifth in order compared with May 2000 when it was at No. 1.

None of that is to say that moving to a new tax system does not involve adjustment and dislocation. Obviously it does. I pay tribute to the small business community of Australia for the magnificent work it has done in adjusting to the new taxation system. Obviously this has involved considerable amounts of work as a consequence. The government is very mindful of that, and as a consequence of that has been making available as much assistance as possible, including $150 million in assistance specifically to train small business, charities and other small organisations. We still have operating the Australian Taxation Office help line and the tax agent call centre, and I would urge those businesses still to remit to get in touch with those organisations. There will be a lot of adjustment; we have always said that. As you bring the Australian taxation system out of a 1930s model and make it a 21st century taxation system obviously there will be a great deal of adjustment. Obviously, the task was not made easier by the obstructionist tactics of the Labor Party. But we can report that significant progress is now being made and that with the goodwill and assistance of small business we are well on the road to implementing the new taxation system which will be good for Australia, which will be good for jobs, which will secure a revenue base for our social services in the future and which will be consistent with the kind of modern economy that Australia wants.

Australian Federal Police: Investigation into Child Sex Tourism

Mr KERR (2.20 p.m.)—My question is to the Attorney-General. Can the Attorney-General assure the House that at no time were any active Australian Federal Police investigations into alleged Australian child sex tourists or alleged instances of paedophilia by Australian citizens overseas discontinued as a result of the winding up of Operation Morocco? Can the Attorney also assure the House that at no time were the files relating to those investigations archived or, as referred to in the language of the Australian Federal Police, put away—that is, removed from active investigation, taken from the operation room, placed in cardboard folders and taken to the secure storage room?

Mr WILLIAMS—I thank the member for Denison for his question, which is the third in similar terms on this subject. I can assure the House that the Australian Federal Police have not downgraded their commitment to investigating allegations of paedophilia. The AFP office in Melbourne has integrated its paedophile investigations with other teams, and this approach, as I said on two previous occasions, has been used throughout the AFP to manage its work program. It allows the AFP to dedicate maximum resources to priority investigations.

I am advised that the Operation Morocco files have not been archived. I am advised that during the reference about 250 matters were registered as the subject of inquiry. I am advised that the files are currently being prioritised and prepared for referral. Some of
the matters will, as is the case with many complaints or allegations made to police, require no further investigation, because there is no substantiated allegation or matter that could warrant continuing investigations. I am told that many other matters resulted in subjects being placed on Travel Alert.

The AFP has retained all of these files on Travel Alert, pending further assessment. In other cases, the AFP is seeking the assistance of international law enforcement agencies in relation to specific allegations against subjects. This conforms with AFP standard practice and its responses in respect of all matters referred to it. Matters are assessed under the case categorisation and prioritisation model. With that answer, I think the member for Denison and the member for Barton can be assured that the AFP is treating paedophilia investigations as seriously as it ever has.

Roads: Funding

Mr NEVILLE (2.23 p.m.)—My question is addressed to the Deputy Prime Minister, the Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House of the positive public reaction to the federal government’s $1.2 billion Roads to Recovery local road funding program?

Mr ANDERSON—So knocked out are we by the reaction to the roads package that I am able to record some extraordinarily positive comments from people around the country in the House here today. I think those positive responses reflect very well the wisdom of the policy decision that we have made and the value of investing in the nation’s infrastructure. One that comes to mind is from the Australian Food and Grocery Council. They said that this:

... will stimulate productivity, growth, investment, employment and profitability in the processed food industry.

The processed food industry just happens to be a major employer in Australia’s manufacturing industries; so I would have thought that was a pretty desirable outcome. The Australian Trucking Association said—and it is very interesting; the Treasurer will like this:

The tax reform process saw the Howard government reduce transport costs for the benefit of all Australians.

They went on to say:

The infrastructure announcement is the next step in keeping Australian businesses viable in an increasingly difficult global market.

We are a major exporter, and that is where a lot of our economic growth is coming from, and where a lot of our jobs are coming from. I do not know whether anybody opposite has noticed that, but that is a matter of record. Anything we can do to improve our international competitiveness helps Australians with jobs.

I met with the Australian Local Government Association yesterday. They told me that the Roads to Recovery Program goes a very long way indeed to meeting the very real needs that they have identified. Even the Municipal Association of Victoria recognised that the funding would ‘double Victoria’s local repair budget’. Now where might that repair budget essentially come from? Us. It is not as if the Victorian Labor government is doing anything about it. While we are putting in an extra $250 million, Mr Bracks, who was out there complaining this morning about what we have done to Victoria, is going to put in $14 million—while we put in an additional $250 million.

The managing director of Abbey Group Contractors said:

No matter which way it is dissected, additional spending on infrastructure creates employment and it is there for future generations.

The National Farmers Federation president said it was:

an important boost that would prevent injury and death by restoring country roads.

I could go on. A very useful contribution from Victoria was from Councillor Matheson, speaking again on behalf of the Municipal Association of Victoria. He said:

These are the roads we use to get our kids to school, that get us to the local shops, are critical in getting produce from a farm or place of manufacture to the highway network and the market. These are important roads to maintain, both in safety terms and for our economic prosperity.
They are very lucky in Victoria that they have a sympathetic federal government; they certainly have not got a sympathetic government at state level.

Honourable members interjecting—

Mr ANDERSON—Are they offering to give it back? We will run it down: I see. The comments from the aforesaid observers, commentators and industry groups are very welcome. But what is even better is the feedback from local councils themselves. I noticed that in New England the general manager of the Parry Shire Council has said that this is going to make ‘an incredible difference’. We have had a number of other councils, one saying they are rapt with the extra money, which they say will help their region’s roads and bridges to ‘properly support the transportation of agricultural produce from outlying Wimmera farms’—another one from Victoria. But this one is my favourite. I received a letter today from the Mayor of Gloucester Shire Council in the electorate of Paterson. The member for Paterson, of course, yesterday was saying that this was trivial and unnecessary—in a different form of words, but that is what he was saying—or at least he was in here, before he scuttled out to talk to his local councils, and they have been responding today. The letter reads, in part:

Dear Mr Anderson,

On behalf of the Gloucester Shire Council I wish to convey our appreciation for the provision of additional funds for local roads. For many years, funding to bring local roads up to a satisfactory standard has been an issue for local government. You government’s recent announcement will be welcomed by councils throughout Australia. At last—

‘At last’, he says—somebody understands.

Australian Federal Police: Operation Morocco Unit

Mr KERR (2.30 p.m.)—My question is to the Attorney-General. In view of his previous answer, will the Attorney give an unequivocal guarantee that at no time were the Operation Australian Federal Police: Operation Morocco Unit files removed from active investigation, taken away from the operations room, placed in cardboard folders and taken to the secure storage room? More particularly, can the Attorney-General confirm that, during question time yesterday, shortly after the Attorney-General was asked about the status of Operation Australian Federal Police: Operation Morocco Unit and its files, an order was given for all archived Operation Morocco files to be retrieved from storage and sent to the southern region target development team for reactivation?

Mr WILLIAMS—The answers are no and no. I will make inquiries and, if there is anything further to be said to the member for Denison, I will convey the information to him.

Roads: Funding

Mr IAN MACFARLANE (2.31 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Is the minister aware of the response by farm industry organisations—Mr McMullan interjecting—Mr SPEAKER—The member for Groom will commence his question again, thanks to the intervention of the Manager of Opposition Business.

Mr IAN MACFARLANE—Thank you, Mr Speaker. My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Is the minister aware of the response by farm industry organisations to the federal government’s announcement of the significant funding boost for local roads? Would the minister advise the House how improvements to local roads will benefit farm businesses and farm families?

Mr TRUSS—I thank the honourable member for Groom for his question. The news about the additional funding for local roads has certainly been well received by farmers and by all of those people who live in rural and regional Australia. They have been appalled by the opposition’s treatment of this issue. They have learnt a lot about what they can expect from Labor if ever they get back to government. This sort of issue, providing basic communications from the farm to the local community, is regarded as trivial and unimportant by the opposition. Labor have given a very clear signal to country people about what they can expect in
relation to road funding if ever they were to come to office again. That signal is reinforced by the appalling performance of Labor state governments around the country in their contributions to road funding. As the Deputy Prime Minister pointed out just a few moments ago, they are ‘do nothing’ people when it comes to country roads. According to Labor, the issue is trivial and unimportant. But it is not trivial and unimportant according to the rural sector.

A very large proportion of Australia’s farm produce has to travel along local roads before it reaches the highway system for transport to ports for overseas exports and the like. These local roads are an essential element of the lifeblood, the basic transport system, of country Australia. So much of our farm produce is restricted on occasions from being able to get to market because of wet weather or alternatively because it is slowed down by inefficient and ineffective local roads. There has been a demand for something to be done about this for a long time. It is not surprising, therefore, that organisations like the National Farmers Federation have been delighted with this announcement. I quote briefly from a statement issued by the President of the NFF, Ian Donges:

Too often, travelling on roads in the bush is a dangerous but essential activity for country people, who often have to travel huge distances for business and family reasons.

Anyone who has been forced to travel along a slippery dirt road after rain understands that appropriate funding is a matter of preventing injury and death on our roads.

Improved roads in the bush will provide a boost to economic efficiency and improve farmers’ competitiveness.

That is what the NFF thinks. Labor thinks the issue is trivial and unimportant but, for rural people, it is an essential boost to their communications networks. Let me say, as a former council chairman, that I can understand what this means for local government, which is always struggling to find sufficient money to meet the demands of ratepayers to upgrade local roads. Labor thinks that sort of thing is trivial and unimportant or, even worse, suggests that money that is spent in a rural area is somehow or other pork-barrelling for the National Party. If the money goes on stadiums and fireworks in the city, that does not matter but, the moment it is spent in the country, that is something that is unacceptable, trivial and unimportant. It is pretty obvious where Labor’s priorities are. Labor votes against our reductions in fuel excise. It is opposed to our reductions in fuel taxes and now it will not spend money on roads either. This issue is trivial and unimportant to Labor but vital and essential to people who live in country communities.

Detention Centres: Serious Incident Reporting

Mr SCIACCA (2.35 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Minister, can you guarantee that financial penalty clauses contained in the contract with Australasian Correctional Management for failure to report serious incidents, which range from $5,000 to $80,000, are, and always have been, enforced by the Department of Immigration and Multicultural Affairs at all detention centres?

Mr RUDDOCK—I thank the honourable member for the question. The contract is between my department and Australian Correctional Services Pty Ltd, on behalf of the Commonwealth. The agreement was dated 27 February. I am more than happy to table a copy of a document that has, in fact, been available for some time and can be accessed through the Internet, which outlines the provisions, including the arrangements for additional points for meeting and exceeding detention standards, as well as demerit points for failure to do so. The point I would make about these matters is that it is outlined in the contract. The contract is a matter that the department administers, and it is supervised, as are other contracts, by the Auditor-General. There is a legal obligation to—

Opposition member interjecting—

Mr RUDDOCK—No, I do not micromanage their obligations in relation to those matters—

Mr SPEAKER—Order! The minister has the call.

Mr Bevis interjecting—

Mr O’Keefe interjecting—
Mr SPEAKER—The member for Brisbane and the member for Burke!

Mr O’Keefe interjecting—

Mr SPEAKER—The member for Burke is warned!

Mr RUDDOCK—And I would expect that, as we have seen in relation to other contracts to which the Commonwealth is a party, if there were any deficiency in relation to it, it would have been raised by the Auditor-General, in which case I would have followed those matters up. But I make the point that I do not sit down and examine the operation of every contract that my department—

Mr Bevis interjecting—

Mr RUDDOCK—No, I will not, because—

Mr SPEAKER—There is absolutely no excuse for perpetual interjection on any minister, least of all when the minister has been on his feet for less than two minutes. The minister has the call and will be heard courteously, in silence.

Mr RUDDOCK—The only reason I would look at those matters is if there were some evidence of some deficiency in the way in which the department was dealing with them. There is no evidence of that. And, for the information of honourable members who cannot get it off the Internet, I table a copy of the detention agreement, with the commercial-in-confidence provisions deleted.

Mr Snowdon interjecting—

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

Roads: Funding

Mr SCHULTZ (2.39 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister kindly advise the House whether the states have indicated a preparedness to match the federal government’s $1.2 billion Roads to Recovery Program? I am particularly interested to hear whether the New South Wales government has committed itself to match that funding.

Mr ANDERSON—I thank the honourable member for his question. I have, as a matter of fact, had quite a few delegations from the member’s seat talking to me about local roads. As I have already indicated in this place, there has been an overwhelmingly positive response out on the ground to the initiative that the Prime Minister and I announced yesterday. Indeed, one paper reported this morning that local governments have not had such a good deal since the days of Whitlam, so there you go!

Honourable members interjecting—

Mr ANDERSON—Holt? There you go. When I attended the local roads congress in Moree earlier this year—

Mr Albanese interjecting—

Mr SPEAKER—There you go. When I attended the local roads congress in Moree earlier this year—

Mr ANDERSON—One of the unanimously expressed views there was that additional funding for local roads ought to be provided by all levels of government across Australia. That view is shared by the Australian Local Government Association. It was agreed at that Moree conference on local roads earlier this year that all levels of government ought to participate in boosting funding for roads. We have increased our contribution by $1.2 billion, and the question is rightly asked: what has been the response of the state governments? I am sorry to say the only response you can point to is that they are all running for cover. I have mentioned that, in the case of Victoria, Mr Bracks unbelievably says that the federal government’s increased expenditure of $250 million, on top of the $83 million we already provide annually, is ‘not enough’. That is what he said. As I said a moment ago, when you contrast that with the fact that he is putting in just $14 million over the period of time that we will be putting in $250 million, it really does highlight the shallowness of his response.

His transport minister, Mr Batchelor, has abdicated all responsibility for local roads. He has responded by saying that ‘local councils are responsible for local roads’. Victorians ought to be aware lest Mr Batchelor is preparing them for the withdrawal even of the $14 million that he has put in. What he says is that it is not their responsibility—it is
over to local government. Mr Batchelor in Victoria might be interested in the comments from the Victorian Farmers Federation. Peter Walsh, the President of the Victorian Farmers Federation, says two things. Firstly, he says that the VFF endorses the call for the Victorian government to increase its allocation to rural local roads. But, embarrassingly, he also points out that the Labor Party in Victoria made an undertaking prior to the last election to commit resources to local roads but that that commitment has not been met.

In Queensland, embattled Premier Beattie and Minister Bredhauer—they have been preoccupied, I suppose—have rejected the federal government’s call to match additional funding or even to contemplate increasing their miserable five per cent contribution to local roads. They say they have no revenue source to match the program. I guess they are busy with other things.

Coming to the member’s specific question—New South Wales—the response of the New South Wales minister when asked to provide some more funding in response to this was that it was a bit rich. But he has said that he does want to help. He wants to assist in the selection process. He did not say it was trivial or unnecessary or that we should not do it, but he did sort of say that he would like the smell of frying bacon around the place. That is what he said. All I can do is take this opportunity to warn local councils of wolves in sheep’s clothing. We can only assume that these state governments are toeing the ALP line on local roads. What are in fact boons for local councils remain boondoggles in the eyes of the ALP.

Illegal Immigration: Woomera Detention Centre

Mr SCIACCA (2.46 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. I refer the minister to the proposed inquiry into the allegations at Woomera which he has recently announced. Minister, why will you not widen the terms of reference for this inquiry to include the investigation of the allegations of rape and sexual assault of children at detention centres, and a full investigation of the overall appropriateness and adequacy of the management of detention centres by the contractor, ACM, with powers to compel and protect witnesses?

Mr RUDDOCK—I made it very clear that the inquiry will look specifically at the procedures that relate to the reporting of matters related to children to ensure that procedures are in place to properly address incidents if they occur and to ensure that they are fully and properly investigated. As I made clear yesterday, a minister is not the appropriate person to investigate issues in relation to allegations, particularly where they relate to children. The authorities that have that responsibility are Family and Youth Services in South Australia and the South Australia Police. They have the experience, the expertise and are the appropriate authorities to which allegations should be referred.

As I mentioned yesterday, these allegations we are hearing seem invariably to come from individuals who have a mandatory obligation to report matters involving child abuse to the relevant authorities. One would ask the question: why would they be seeking a wider inquiry to investigate those matters by somebody who would not be expert? And why would they not take their complaints to the appropriate authorities for those matters to be addressed? I think there is another agenda and I hope that you are not pursuing it. I think that agenda is to unwind a policy that you in government implemented and operated. The agenda is in fact to dismantle the arrangements for contracted services in relation to detention. Is that the agenda?

Mr Beazley—So you are completely indifferent? You are not worried at all?

Mr SPEAKER—Order! If the Leader of the Opposition wants to ask a question, it has been the custom of the chair to facilitate him, but at this stage the minister is responding to a question asked by the member for Bowman.

Mr RUDDOCK—I am not going to let that comment pass. I am very concerned about any allegations involving abuse of children. It is one of the reasons I have been conscientious about dealing with these issues and ensuring that they are referred to the appropriate authorities—not only that but also looking at the systems in place to see
Whether there are any deficiencies in those reporting obligations. It seems that the only people around here who have made the admissions today are those who have admitted that they have another agenda in raising these issues.

Social Security: Welfare Benefits

Mrs May (2.50 p.m.)—My question is addressed to the Minister for Community Services. In light of recent claims of the harsh treatment of people receiving welfare benefits, would the minister outline to the House what the government is doing to deliver fair and just treatment to Australian job seekers?

Mr Anthony—I thank the member for McPherson, a hardworking neighbour who is very concerned about putting people into employment. That is what this government is committed to and that is why we have created 860,000 new jobs since the Howard-Anderson government came to power four years ago. It is the reason why unemployment now is the lowest it has been for decades—6.3 per cent, which is substantially lower than when the Australian Labor Party were in government. One thing that is interesting is the continual rhetoric coming out of the Labor Party and some welfare agencies about the policy of breaching. The facts are that the ALP’s breaching system was much harsher than our current regime. Why was that? It was because it was ‘one strike and you’re out’, and unemployed people could lose payment not just for a couple of weeks but for up to three to six months. There was no gradual reduction. The interesting thing is that it was welfare agencies that supported—and, indeed, supported by the Australian Labor Party when it went through the Senate—the current regime of breaching. It was supported by Labor. And why shouldn’t we have a comprehensive system? We are telling those people who receive Newstart allowance that we expect them to comply—to report when they have changes in earnings, to turn up if they have an interview and to turn up to seminars. It is all part of the mutual obligation.

The fact is that the majority of Newstart and Youth Allowance participants do the right thing: 86 per cent of the 1.3 million Newstart and Youth Allowance recipients in the last financial year did the right thing. There is a process of review: whether it is through Centrelink, through the Social Security Tribunal or through the Administrative Appeals Tribunal, the system is a lot fairer than it was when Labor was in government. What is Labor’s record? When the Leader of the Opposition was the minister for employment, unemployment was at 11.2 per cent—over one million Australians were out of work. Working Nation was an absolute failure. Three out of five people who went through Working Nation remained unemployed, and is it any wonder that the old Department of Social Security were a lot more concerned about breaching people, because, when they did impose a breach, people lost their total payments straightaway; there was no gradual reduction such as we have introduced.

Labor have been misrepresenting statistics and have been cooking the books for quite some time on these issues. I did note, though, that the Leader of the Opposition visited the Mandurah Centrelink office last Friday. I think it is terrific that the Leader of the Opposition is spending some time evaluating Centrelink and seeing the good work that the staff are doing—unlike his shadow minister. And it is interesting because, if when the Leader of the Opposition was the minister for employment he had wanted to visit a Social Security office on a Wednesday afternoon—well, he could not have, because they were shut—he could not have made an appointment, because they would not take appointments; he would have had to queue, because that was their policy. The real concern here about breaches—Labor are not concerned about the breaches of those receiving Newstart or Youth Allowance—is the breaches of the Commonwealth Electoral Act and the breaches that are going on, particularly about brown paper bags—

Mr Speaker—The minister will resume his seat. The minister’s answer has no relevance to the question.

Health: MRI Machines

Mr Andren (2.54 p.m.)—My question is to the Minister for Health and Aged Care. Can the minister give details of the process
for allocating a Medicare provider number to a magnetic resonance imaging service for the people of the central west of New South Wales? Are you aware of strong support for such a facility to be located at Orange, arguably the premier base of appropriate specialist referral services in the region? And, given the controversy that has surrounded MRI funding, what assurances can you give that the selection criteria for allocating provider numbers will be totally objective and will result in the funding of machines in the best possible locations in terms of population, travel time and proximity to specialists?

Dr WOOLDRIDGE—I thank the honourable member for his question. I am aware of his interest in the location of a machine at Orange, as he has made representation to me on it; but, to be fair, so have a lot of other MPs. To make sure the process is completely open and fair, I have asked Professor Blandford to chair a monitoring and evaluation group. That group also has on it Dick Scottton, a health economist from Monash University; a representative from my department; a state and territory representative; someone from the Health Insurance Commission, and a consumer.

We will fund up to seven additional machines. We expect most of them to be located in rural and regional Australia. Professor Blandford’s committee will oversee the exact tender process, because that is what his committee recommended. They are meeting for the first time on Monday week. If they can agree on a tender process at that meeting—and I would certainly hope they could—we would be advertising before Christmas for the tenders to go into place. While I cannot pre-empt what they are going to do, I have made two requests of them. The first is that facilities should be equally available to the public sector and the private sector, or the two sectors operating together. And the second, at the urging of the Minister for Finance and Administration, is the possibility of relocating an existing eligible machine into a public hospital facility. So I hope that we will have the advertisements before Christmas. Putting it at arm’s length through a committee like this should give the people in Orange and other local members complete reassurance that we will have a system that is subject to considerable scrutiny and is robust, and I will be very pleased that this facility is much more widely available, particularly in rural and regional Australia.

Centrelink: Job Seekers

Mrs VALE (2.57 p.m.)—My question is addressed to the Minister for Employment Services. Is the minister aware of allegations that arrangements between his department and Centrelink are unfairly penalising job seekers? Are there any alternative approaches in this area?

Mr ABBOTT—I am aware of such allegations because in the past fortnight the member for Lilley and the member for Dickson have repeatedly accused the government of having a quota system for breaching job seekers or for reducing their benefits. I have to say that it has been the slickest double act since the 1996 preference buying deal.

Mr SPEAKER—The minister will come to the question.

Mr ABBOTT—Let me make it very clear that no-one can be breached unless he or she unreasonably fails to attend a job interview or unreasonably fails to participate in an employment program. The number of breaches is not set by this government; it is determined by job seeker behaviour. Of course, the government expects that a majority of Job Network notifications will be actioned by Centrelink because it expects that Centrelink and Job Network will have a common understanding of what is reasonable. The government expects that most Centrelink breaches will be upheld, because it believes that they should not be imposed without due process and natural justice.

This government is not interested in breaching people. What it is interested in doing is ensuring compliance with the rules. Let me say this: in areas where this government has responsibility it is absolutely determined to ensure that the law is obeyed—and you certainly cannot say that about the areas where the Leader of the Opposition has responsibility.

Mr Martin Ferguson—You are hand in hand with One Nation and David Oldfield.
Mr SPEAKER—The member for Batman will withdraw that remark!

Mr Martin Ferguson—The remark is not unparliamentary when you consider what he said at the dispatch box.

Mr SPEAKER—The member for Batman is well aware that he is obliged to do as the chair requests.

Mr Martin Ferguson—I was brought up on the basis of tit for tat. He threw the first brick; he withdraws first.

Mr McMullan—Mr Speaker, I raise a point of order. I wish to seek clarification from you of the basis on which you sought a withdrawal from the member for Batman. The minister did not indicate that he found the term offensive—and it would have been wildly hypocritical if he had—and it is not in any way unparliamentary. What is the basis upon which you sought that withdrawal? Is that a standard you are going to apply, including to this continually provocative minister?

Honourable members interjecting—

Mr SPEAKER—Let me issue a general warning! Nothing would give me more satisfaction right now than to have the opportunity to deal severely with members who perpetually interject. A general warning has been issued.

Mr Reith—Mr Speaker, I raise a point of order. It is not appropriate for there to be a debate about the merits of your request to the member. The simple point is that we do not have ACTU rules of tit for tat in the House.

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

Mr Reith—Well, I simply make the point that we do not have a tit for tat rule—

Mr SPEAKER—The Leader of the House will resume his seat!

Honourable members interjecting—

Mr SPEAKER—I would remind all members of my earlier statement. The member for Batman makes a perfectly valid point. The member for Batman, however, presumes that there is no equity from the chair—a presumption that no occupier of the chair finds very satisfactory. I merely asked the member for Batman to withdraw the statement he made because it was a statement that did nothing to elevate the tone of the House. I will deal with the comments made by the minister at an appropriate time. The member for Batman made an interjection that I felt was inappropriate, and that is why I have asked him to withdraw it.

Mr Martin Ferguson—Mr Speaker, in considering whether I will withdraw it, I want to know if the appropriate time is now for the Minister for Employment Services, too.

Mr SPEAKER—The member for Batman must know that he is straining the tolerance of any occupier of the chair. I have asked him to do what is a perfectly reasonable thing, given that the remarks he made did nothing to elevate the standard of the House. This is not a case for debate, nor is it a case for negotiation.

Mr Martin Ferguson—Mr Speaker, out of respect for you and your office, I withdraw it—

Mr SPEAKER—I thank the member for Batman—

Mr Martin Ferguson—and I ask you to apply the same rules to the Minister for Employment Services now.

Mr SPEAKER—and he will now resume his seat! But for the member for Batman’s latter interjection, this would have been a much more elevated experience. I now require the minister to apologise for any statement he made that may have reflected unfairly on any occupier of the opposition benches.

Mr Abbott—if anyone opposite has been offended, I withdraw.

Mr SPEAKER—I thank the minister.

Mr Howard—Perhaps the Leader of the Opposition might withdraw the remark he made—

Mr SPEAKER—I would remind the Prime Minister that a number of remarks have been made that are quite inappropriate. I will be happy to join him in the joint operation that I know he and the Leader of the Opposition believe should be exercised to raise the standards of the parliament.
Banking: Services

Mr MURPHY (3.00 p.m.)—My question is directed to the Prime Minister. Prime Minister, do you recall urging the banks to assist those in flood affected areas of New South Wales? Do you remember saying:

I want the banks to be positive and very constructive and they do have an obligation because Australian banks are profitable ... the mutual obligation principle works on them as it does on the government.

Prime Minister, if this is the case, why have you been silent when the banks announced big increases in over-the-counter fees and when there have been moves from some to short-change pensioners, including those in my electorate of Lowe, on their deeming accounts? Prime Minister, if mutual obligation is so important now, why hasn’t it been so for the last four years?

Mr HOWARD—I say to the member for Lowe that I certainly do remember saying that. I said it last Saturday. Perhaps I also said it a day or so before when I made a comment about the obligation of the banks in the context of the floods in New South Wales. I hope that the collective response of the banks in relation to the difficulties in New South Wales will be positive, will be generous and will be understanding of the great difficulty that people now find themselves in. It is easy at a time like this for people, under the cover of the natural community sympathy for the farm sector, to make unreasonable demands on the banks. I think it is reasonable for somebody in my position in a very prominent, open way to ask the banks to chip in and help their fellow Australians in a time of distress. That is essentially what I have done. I do not believe, as your leader does, that the answer to this is to threaten regulation. I think it is reasonable for somebody in my position in a very prominent, open way to ask the banks to chip in and help their fellow Australians in a time of distress. That is essentially what I have done. I do not believe, as your leader does, that the answer to this is to threaten regulation. I think it is reasonable for somebody in my position in a very prominent, open way to ask the banks to chip in and help their fellow Australians in a time of distress. That is essentially what I have done. I do not believe, as your leader does, that the answer to this is to threaten regulation. I think it is reasonable for somebody in my position in a very prominent, open way to ask the banks to chip in and help their fellow Australians in a time of distress. That is essentially what I have done. I do not believe, as your leader does, that the answer to this is to threaten regulation. 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ently your leader does, that the answer is to go a step further and threaten the banks with regulation. I think that is a mistake. I think it is totally counterproductive, and I am glad you are shaking your head to indicate that you agree with me.

**Education: Schools Funding**

Mr GEORGIOU (3.11 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House about Commonwealth government funding for capital development in government and non-government schools? Is the minister aware of any alternative views in relation to schools’ resources and what is his response?

An incident having occurred in the press gallery—

Mr SPEAKER—It seems the general warning may need to be extended to the press gallery. I call the Minister for Education, Training and Youth Affairs.

Dr KEMP—I thank the honourable member for Kooyong for his question. The government believes very much in the importance of investment in education, and parents who want to invest in non-government schools should not be punished for their efforts. Under the government’s legislation there will be strong incentives for parents to invest in non-government schools, and we believe also that governments have an obligation to provide capital funding for government schools and for needier non-government schools. The Leader of the Opposition has made it very clear that in his view any school that is able to raise millions of dollars for capital works—that is, money obtained from raffles, bingo nights, lamington drives, and by attracting donors to the school—does not deserve a fair go in recurrent funding. That is the Labor Party’s view—that such a school does not deserve a fair go in recurrent funding.

One of the arguments that the Leader of the Opposition and the member for Dobell have run during this entire campaign is: if a non-government school has access to millions of dollars, why on earth should it receive public funding? Yet they have very short memories, because a great deal of capital funding is provided to government schools. This year the Commonwealth government provided some $86 million in capital grants funding for non-government schools, but Commonwealth funding for capital grants to government schools this year totals more than $222 million. In other words, 72 per cent of all the capital moneys that flow from the Commonwealth, which in a number of states is more than half the total capital money going to schools, goes to government schools.

We hear nothing from the Labor Party about the $3.2 million that the Howard government has given to Sydney Girls High School for the construction of art and music facilities, a library and the upgrade of applied science facilities. We hear not a squeak from the member for Dobell about the $3.1 million that the Howard government has provided to James Ruse Agricultural High School to construct a library, gymnasium and performance area. There is complete silence about the $3.1 million allocated to Toowoomba State High School to build art, music, woodwork, metalwork and kitchen facilities, and nothing at all about the $1.6 million we have provided to the mobile school for the children of travelling show people.

This government believes in investing in education on a fair and equitable basis in the government and non-government sectors and it believes in encouraging that investment. All we have from the other side is intellectual and moral bankruptcy on the issue of funding education in this country. The Leader of the Opposition—the genius sitting over there—has conducted a campaign that has so far had the effect of losing him the support of the entire non-government sector and of laying a series of time bombs and booby traps in Labor marginal seats for the next election campaign. Finally—this is an example of the tremendous success of his campaign—he has whipped up a campaign within the Labor Party against himself as leader as a result of his misrepresentations. Earlier this month, the Labor mayor of Brisbane, Jim Soorley, dumped on the Leader of the Opposition from a great height when he said:
Kim Beazley in my opinion has failed in his job. Let me say very clearly, in my view, the Labor Party and the leadership of the Labor Party in Canberra has failed.

That is a result of the total collapse of the Leader of the Opposition’s credibility. He has lost the support of the entire non-government sector and he has lost support in his party. The opposition should stop this pathetic posturing and pass the legislation so that parents and schools in this country can get the resources they need.

**Nursing Homes: Thames Street Hostel**

**Ms BURKE** (3.17 p.m.)—My question is directed to the Minister for Aged Care. Can the minister confirm that, after receiving a complaint about the care of residents in the Thames Street Hostel in my electorate of Chisholm on 2 December 1999, the first inspection of the hostel did not occur until 30 August this year—eight months later? Is it not a fact that this inspection confirmed the concerns of the complainant, finding that residents were at serious risk through ineffective infection control and inappropriate medication management? Given that patients were at serious risk for so long, how could the minister possibly claim—as she did recently—that the delay between the receipt of the complaint and the inspection was just six days?

**Mrs BRONWYN BISHOP**—I thank the honourable member for Chisholm for her question because we can now get the facts right. In fact, the complaint letter from the ANF was received by the department on 2 December and there was a response to it on 8 December 1999. It raised staffing issues, which had been dealt with in the Industrial Relations Commission earlier that year. However, I would like to quote some comments that were made by the Reverend Dr Robert Johnson concerning this home. He wrote to the Herald Sun saying that there had been quite a to-do about the fact that they had not passed 43 out of the 44 standards—which I remind the opposition were standards set by this government on 2 September 1999 and came into operation only this year. I will simply read from this letter, in which the Reverend Dr Robert Johnson says:

> But that is not how it is at that facility…

The Uniting Church Synod acted as soon as it became aware of the difficulties. Through a series of actions the Church has seen the Thames St facility achieve 43 out of 44 standards set by the Aged Care Standards Agency by last Friday (November 17).

The church will spend about $500,000 in hiring new staff, implementing new safety and management procedures and upgrading beds and equipment.

The Uniting Church took the rare step of requesting the board of management stand aside.

The CEO was stood down, and after investigation was dismissed. A commissioner, Ms Imas Thompson, has been—

**Ms Burke**—On a matter of relevance—

**Mr SPEAKER**—The member for Chisholm—

**Ms Burke**—I have asked—

**Mr SPEAKER**—The member for Chisholm will resume her seat.

**Ms Burke interjecting**—

**Mr SPEAKER**—The member for Chisholm will resume her seat!

**Mrs BRONWYN BISHOP**—Thank you very much, Mr Speaker. As I said, the new system of accreditation that this government has put in place required the Uniting Church to take the action that the Reverend Dr Robert Johnson writes about. I will read a little more from his letter. He continues:

The Church seconded several top staff from its other aged-care agencies to implement the changes at Thames St.

The bottom line is that the ANF’s industrial relations complaint was received on 2 December and it was responded to on 8 December—which is what I said originally. There was a second—

**Ms Burke interjecting**—

**Mr SPEAKER**—The minister will resume her seat. The member for Chisholm is a new member in this House and she may not necessarily know what the term ‘general warning’ means. She now has a choice: she may either apologise to the minister for her interruption or choose to leave the House under standing order 304A.

**Ms Burke**—Out of respect to the House, I will apologise.
Mr SPEAKER—Thank you. I call the minister.

Mrs BRONWYN BISHOP—It is our system of accreditation that caused the subsequent visit to be undertaken, which found that things had to be put right. The Uniting Church has responded to this government’s requirement as set out in the legislation and it is now moving to accreditation.

Mr Leo McLeay—Will the minister table the document she was quoting from?

Mrs BRONWYN BISHOP—I would be happy to; it is from a newspaper.

Honourable members interjecting—

Mr SPEAKER—I remind the House of the state of the House.

Employment: Unfair Dismissal Law

Mr HARDGRAVE (3.22 p.m.)—I have a question for the Minister for Employment, Workplace Relations and Small Business. Would the minister inform the House of any government policies that will reduce even further the decade-low rate of unemployment? Are there any impediments to these policies? And is he aware of any alternatives?

Mr REITH—I appreciate the question because, from the government’s point of view, one of our highest priorities is creating a climate in which more jobs can be created. We do not rest on our laurels, even though in the time that we have been in office something like 809,000 jobs have been created. Of course, we are a long way from the days when the Leader of the Opposition was the minister for employment and we had over one million people unemployed and an unemployment rate at its highest since the Great Depression.

Mr Costello—The recession we had to have.

Mr REITH—The recession that we had to have, in which he was principally involved. It is a very simple proposition but it is absolutely right: if you help small business, it will create jobs. That is good for the economy, it is good for people who are unemployed and it is definitely worth doing. That is why I am pleased to advise the House that we will again reintroduce our bill to provide an exemption for small business from the unfair dismissal laws. This provision is specifically directed at providing a benefit to the small business community. We do so because small business is different to big business. If you are running a big business, you may have the lawyers, the company secretaries and the personnel departments; but, if you are running a small business and you have to defend yourself against one of these claims, to do so means that you have to close the doors of your business. For a small business, if you are unsuccessful and get a significant order against you, this means the difference between whether or not your business is viable or it is unviable. If it is unviable, it will not be just the proprietor who is burdened by that result but maybe the one other person who has a job in that business that is jeopardised as a result.

Countries overseas have this provision. This provision is okay under international standards set out by the ILO. It is a very reasonable measure that Australia ought to have. I note in the recent survey of Australia from the OECD that they have a series of recommendations of changes that should be made. They refer specifically to the bill that we have had before the parliament before, and they recommend to ‘implement small business exclusions and consider more general reform of the legislation’. That is independent advice from a well-respected authority to the effect that, if this exemption went through the parliament, it would provide job opportunities for literally thousands of Australians. This government is committed to it.

It is a fact that we have seen this measure obstructed on more occasions than probably any other measure that this government has put before the parliament before, and they recommend to ‘implement small business exclusions and consider more general reform of the legislation’. That is independent advice from a well-respected authority to the effect that, if this exemption went through the parliament, it would provide job opportunities for literally thousands of Australians. This government is committed to it.

It is a fact that we have seen this measure obstructed on more occasions than probably any other measure that this government has put before the parliament. In fact, the Labor Party, I think, have now voted against it on eight occasions or thereabouts. Someone said to me, ‘Well, why would you put it up again?’ There is a simple answer: this government is in favour of small business. On behalf of small business, we will not take no for an answer. This is a measure that is in everybody’s interests.

I call on the Leader of the Opposition to finally stand aside and allow the government...
to implement a mandate that we received at
the last election. I remind him that, on edu-
cation, he said last week, ‘Well, in the end,
we’re not going to vote against it, because
we are not a Senate party.’ How is it you are
not a Senate party on education but when it
comes to providing jobs in small business
you do what the unions want you to do and
you prevent small business giving somebody
the chance of a job? I say that it is about time
the Leader of the Opposition actually stood
up to a few of his union mates, stood up for
small business and gave people a chance of a
job they ought to have.

Nursing Homes: Thames Street Hostel

Mr BEAZLEY

—

My question
is addressed to the Minister for Aged Care
and it follows the answer she gave to the
previous question on the Thames Street
Hostel. Given that in your answer just now
you said there was no delay in terms of the
response of your department, can you con-
firm that your department wrote to the com-
plainant in April of this year apologising for
the delay in the handling of the complaint,
citing ‘an unavoidable delay on the part of
the scheme’? Isn’t it a fact that, on 2 June
this year, your department met with the stan-
dards agency to discuss the inspection of the
Thames Street Hostel but decided not to take
any action because, at the time, the agency
did not have the resources to conduct an in-
spection? Don’t these facts, along with the
assessment of the Thames Street Hostel
owner that the complaint should have been
dealt with much more quickly, merely con-
firm that your system is neither structured
nor resourced to take quick and effective
action to maintain care standards?

Mrs BRONWYN BISHOP

—

If the
Leader of the Opposition would bother to
read the Hansard of the estimates hearings
when the statements to which he has referred
were made, he would find that the depart-
mental officer explained to him that that had
been a standard clause that had been put into
letters; it did not apply to this particular case.

Opposition members interjecting—

Mrs BRONWYN BISHOP

—

If you find
it so amusing, you obviously have no care
for the residents after whom we look. The
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it had put in its correspondence at the time of
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stress, and it was using its resources. It ex-
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to say that it had acted appropriately, and if
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Mr Tanner interjecting—

Mr SPEAKER—The member for Mel-
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Australian Export Awards. This year, we have had 300 entries and, out of those, a record 67 national finalists. Last year’s winner was Pipers Brook Vineyard from Tasmania, a participant in the record breaking Australian wine industry, which has exports worth around $1.3 billion. Another industry that is going extremely well at the moment in exports—and the news today from Mitsubishi is fabulous news—is the automotive industry which, in the last 12 months, has exported almost $4 billion worth of automobiles and parts out of Australia. The news today from Mitsubishi will further bolster and strengthen the Australian automotive export sector.

We are seeing as finalists a lot of exporters from regional Australia, from areas such as Alice Springs in the Northern Territory, Griffith in the seat of Riverina, Burnie in the seat of Braddon, Ballarat in the seat of Ballarat, Albury in the seat of Farrer, Warwick in the seat of Maranoa and Toowoomba in the seat of Groom. All those areas and all those exporters would welcome yesterday’s announcement of the Roads to Recovery Program that is going to help bolster and improve the infrastructure in their areas and help make them more competitive.

We all know that those exporters are concerned about some alleged alternative policies in Australia today that might threaten the strength of their competitive nature. We know that, although he is not here today, the shadow Treasurer keeps on talking about roll-back. We know the Leader of the Opposition does not utter the word ‘roll-back’ anymore. Australia’s exporters are quite concerned about any change to the new taxation system that has seen $3.5 billion worth of cost impediments lifted off their backs. A recent survey found that 90.5 per cent of businesses do not want the Labor Party’s roll-back. I think the message may have got through to some but certainly not to the leadership. Australia’s exporters deserve the recognition of all Australians for the effort they are putting in to inject much needed export income into our economy and to generate more jobs for Australians.

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

QUESTIONS TO MR SPEAKER
Parliament House: Limro Cleaning Services

Mr McMULLAN (3.33 p.m.)—Mr Speaker, is it the case that there is an ongoing industrial dispute with the Parliament House cleaning contractor, Limro Cleaning Services? Does this dispute relate to, amongst other things, whether there is a sufficient allocation of employees to undertake adequate cleaning services? Is it also the case that there are significant issues in relation to the appropriate occupational health and safety standards that are in need of being addressed? Can you, Mr Speaker, inform the House of the current situation with regard to that dispute? In particular, can you assure members of the House that there will be sufficient staffing to guarantee members and staff clean and hygienic working conditions?

Mr SPEAKER—I am unaware of any dispute. If there is some difficulty in the negotiations between Joint House and the cleaners, I will investigate it, following the question asked by the Manager of Opposition Business, and report back to him and, if necessary, the House.

PERSONAL EXPLANATIONS

Mr TUCKEY (O’Connor—Minister for Forestry and Conservation and Minister Assisting the Prime Minister) (3.35 p.m.)—Mr Speaker, I wish to make a personal explanation.

Mr SPEAKER—Does the minister claim to have been misrepresented?

Mr TUCKEY—I do.

Mr SPEAKER—The minister may proceed.

Mr TUCKEY—Yesterday, the member for Watson made a personal explanation in response to words I used in the House on 9 November, referring to Hansard records relating to a breach of privilege arising from the leaking of reports of standing committees prior to their tabling in the House. In that response, the member for Watson claimed that my remarks referring to a breach of privilege by the member for Watson whilst holding the position of chairman of the Committee on Expenditure were untrue. To
refute this allegation, I refer the House to the *Hansard* record dated 22 May 1985, commencing on page 2959, covering the tabling by the chairman, Leo McLeay, of the report of the Standing Committee on Expenditure of its inquiry into the Aboriginal Development Commission. In particular, I refer to *Hansard* page 2961 of that tabling statement, in which the chairman, Leo McLeay, is reported as saying:

... I circulated to Mr Coombs, who was a consultant to the Committee, a copy of the draft report. He also quotes Mr Coombs’s acknowledgment and response. Mr Coombs’s consultancy consisted of advising the committee in writing on whether a single matter should be referred to the police. As Chairman McLeay later admitted, he was not a person to whom the report of the committee could be disclosed. Furthermore, having considered the evidence, Speaker Child is reported, on page 3081 of the *Hansard* of 23 May 1985, as follows:

... the unauthorised disclosure of committee evidence or reports of a committee which have not been reported to the House is a contempt ... In these circumstances, if the House wishes to pursue the matter further, I am prepared to allow a motion to have precedence.

As *Hansard* also reports, the issue was not pursued, due solely to the generosity of the opposition.

*Mr Leo McLeay* interjecting—

*Mr TUCKEY*—If the member for Watson wants me to reopen the case to prove his innocence—

*Mr Leo McLeay*—Absolutely!

*Mr TUCKEY*—then I am prepared to refer the House to a matter of privilege.

*Mr SPEAKER*—The minister cannot come to debate on this. He must come to the point on which he has been personally misrepresented.

*Mr LEO McLEAY* (Watson) (3.37 p.m.)—After that outburst, I have most certainly been misrepresented.

*Mr Reith*—Don’t you know the forms of the House?

*Mr LEO McLEAY*—I do, actually. The trouble is the mug here does not.

*Mr SPEAKER*—The Chief Opposition Whip will apologise for the term he just used relative to the minister.

*Mr LEO McLEAY*—It is a terrible defamation of mug, so I withdraw it unconditionally.

*Mr SPEAKER*—The Chief Opposition Whip will resume his seat. The Chief Opposition Whip will now apologise unconditionally to the Minister for Forestry and Conservation for the term he used.

*Mr LEO McLEAY*—I said I withdrew it unconditionally.

*Mr SPEAKER*—I accept that the Chief Opposition Whip has at this point apologised unconditionally.

*Mr LEO McLEAY*—I said that originally.

*Mr SPEAKER*—The Chief Opposition Whip is running out of any sense of grace at all, and there is already a general warning issued. Does the Chief Opposition Whip claim to have been misrepresented?

*Mr LEO McLEAY*—Most grievously and absolutely by this minister.

*Mr SPEAKER*—Please proceed.

*Mr LEO McLEAY*—Thank you, Mr Speaker. Unfortunately, the minister, in his usual attempt to misquote things, did not—

*Mr TUCKEY*—Are you arguing this?

*Opposition members* interjecting—

*Mr LEO McLEAY*—The minister said yesterday and the day before in the House that I had committed a breach of privilege. I raised that yesterday in the House and drew your attention and the House’s attention to the fact that I had not. Today this minister again attempts to place that canard in front of the House and tries to run that argument again. He knows it is not true.

*Mr Reith*—Mr Speaker, my point of order is that this is not a debating opportunity. The member is required to spell out—

*Mr Albanese* interjecting—

*Mr SPEAKER*—The member for Grayndler will apologise. A general warning has been issued. I am tired of impetuous interjections.
Mr Albanese—I apologise, but I am not sure what for.

Mr Reith—I was simply making the point that, under the guise of making a personal explanation, the Chief Opposition Whip is simply debating the issue. He has to demonstrate and specifically refer at the start of his remarks to where he has been misrepresented. He is also, on a further point of order, not entitled to refute and make allegations about the statement that has just been made, whatever he thinks of it.

Opposition members interjecting—

Mr SPEAKER—There seem to be a number of people on my left with very short memories, and I am looking at them. The Chief Opposition Whip was allowed to proceed because I felt that the comments made by the Minister for Forestry and Conservation, while indicating where there had been some misrepresentation, were allowed to move more widely than would normally be the case. I will listen to the Chief Opposition Whip, but I do of course require an indication of where he has been personally misrepresented.

Mr LEO McLEAY—The minister referred to the Hansard of 22 May 1985 and the Hansard of 23 May 1985. On 22 May 1985, at around 11.45 a.m., I tabled a report of the House of Representatives Standing Committee on Expenditure entitled The inquiry into the Aboriginal Development Commission: final report. In the course of tabling that report, I indicated to the House that I had provided a copy of the draft report to Mr Coombs QC, who was a consultant to the committee. At that time Minister Tuckey was a backbencher—

Mr Reith—Mr Speaker, on a point of order: it may be the same subject matter, but the fact is that, after making quite a long preliminary statement, the Chief Opposition Whip has now risen to his feet for the second time and he is giving us a history of what he believed happened. As interesting as that may be, it is not relevant to the procedure whereby he is required to spell out where he has been misrepresented. He has failed to do so, even though he was invited to do so. On that basis, he should not be allowed to proceed. This is not a general history debate of what happened in 1985.

Mr SPEAKER—I would have thought the member for Watson would find it exceedingly inconvenient to continue his representations to the House outside the House. I would invite him, therefore, to resume his seat while the Manager of Opposition Business is recognised.

Mr McMullan—Mr Speaker, on the point of order raised by the Leader of the House: while you exercised a significant degree of leniency with regard to the matter of a personal explanation by the minister, we actually agreed with your interpretation that, while it was wide ranging, it was pertinent and should have been allowed to continue. You have found no resistance or points of order from our side with regard to that.

Mr Reith—He was repudiating it.

Mr McMullan—Thank you for your assistance. We think the same principle should be applied to the Chief Opposition Whip and other people on both sides seeking to raise the point, and we think the precedent should be applied to the Chief Opposition Whip and generally.

Mr Reith—Mr Speaker, on the point of order: the minister simply provided references which supported his repudiation. You could not get a more different approach. From the Chief Opposition Whip you are getting a dialogue or a history of what happened, whereas the minister said, ‘This is what was said and this is how I repudiate it,’ and he simply had the references. So it is quite wrong to suggest that leniency was given on one side and should be given on the other. The fact is that the minister did exactly what he is only required and able to do, whereas the Chief Opposition Whip wants to have a general debate about it. If he wants to have a general debate, let him move as he so wishes under the forms of the House, but this is the wrong form and the wrong procedure. If that is what he wants to do, he should be required to sit down.

Mr SPEAKER—I did allow a good deal of leniency to the Minister for Forestry and Conservation and I did not think he abused it in any way. It was, in fact, a broader ap-
proach to a personal explanation than is normally tolerated and not something I would want to see used as a precedent. But it only seems reasonable to me, with that leniency having been extended, that the Chief Opposition Whip should be allowed to continue. He will not, of course, be allowed to advance any argument, as he knows better than almost anyone else in the House.

Mr LEO McLEAY—Absolutely not, Mr Speaker. I want to place directly before the House where the minister misrepresented me in his statement today. As I said earlier, he said two days ago that I had committed a breach of privilege. The only way the House determines that you have committed a breach of privilege is if you have been dealt with by the Standing Committee of Privileges. On the tabling of that report, this minister claimed there had been a breach of privilege and he tried to get the matter referred to the Privileges Committee. The matter was not referred to the Privileges Committee and there was no breach of privilege. I will quote at the end the words of the then Leader of the House, his colleague, one of your and my predecessors here, the Rt Hon. Ian Sinclair, who said about the matter:

I am loath to do so—

which is to—

Government members interjecting—

Mr Reith—With great respect to anything Ian Sinclair may or may not have said, it is not appropriate for him to be putting that forward as an argument. It is just an argument. He is not entitled to argue his case. He is entitled to say where he has been misrepresented and to then sit down, not to give us a quote out of Hansard to support an argument which is 15 years old and which is obviously a very sensitive one.

Mr SPEAKER—I invite the Chief Opposition Whip to conclude the quote he was making.

Mr LEO McLEAY—Mr Sinclair said:

I am loath to do so—

which is to refer the matter to the Privileges Committee—

because I believe that the Chairman of the Standing Committee on Expenditure acted in good faith ... Therefore, I would not propose at this stage to refer it to the Privileges Committee.

End of quote, end of section, end of canard.

Mr Wilkie interjecting—

Mr SPEAKER—The member for Swan! For one who once occupied an education department position, you seem to show a remarkably short memory. I call the Minister for Forestry and Conservation.

Mr TUCKEY (O’Connor)—Minister for Forestry and Conservation and Minister Assisting the Prime Minister (3.47 p.m.)—Mr Speaker, I heard those comments, but there is a simple solution. The member for Watson can have the matter referred to the Privileges Committee as was suggested by Speaker Childs—

Mr SPEAKER—The minister will resume his seat.

Mr SWAN (Lilley) (3.48 p.m.)—Mr Speaker, I wish to make a personal explanation on two issues.

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

Mr SWAN—I certainly do.

Mr SPEAKER—Please proceed.

Mr SWAN—On Saturday, and again yesterday, the Canberra Times speculated that I may have been the member of parliament named at the Shepherdson inquiry as having had multiple enrolments at my addresses. I am absolutely confident that such suggested improper multiple enrolments did not occur at any addresses. Let me say in response to that speculation that I have had undertaken on my behalf a manual search of the available printed electoral rolls for the relevant period. That search is incomplete but continuing. I hope it will be complete in the next day or so. The search to date has revealed that I was enrolled to vote in three separate Queensland entries. One: the 1975 electoral roll of Ryan records me as enrolled at 57 Midas Street, St Lucia. I was the only person enrolled at this address. Two: the first print of the 1977 electoral roll for Ryan records me and four others enrolled at 57 Midas Street, St Lucia. All occupants registered were students and, to the best of my knowledge, no others were members of the Aus-
The second area of misrepresentation relates to last night's edition of the 7.30 Report and subsequent media which have reported allegations that I made a financial contribution to the Australian Democrats 1996 Lilley federal election campaign in exchange for preferences. I dispute the veracity of those allegations, which were made by Mr Lee Birmingham. My lawyers are today writing to the Australian Electoral Commission to ascertain precisely what allegations have been referred to the Director of Public Prosecutions. However, for the record, I confirm that a financial contribution was made to the Australian Democrats campaign in the seat of Lilley, but I deny absolutely that any payment was made in order to influence or affect the preference decisions of the Australian Democrats. Preference decisions were made at the national level by the ALP. It is a matter of public record that the preference decisions of the Australian Democrats were—

Mr SPEAKER—The member for Lilley knows that he must indicate where he was misrepresented and not enter into a debate.

Mr SWAN—I certainly do, Mr Speaker. I am concluding where I was misrepresented. It is a matter of public record that the preference decisions of the Australian Democrats were made at the national level. The Lilley campaign contribution was not intended to affect nor could it have possibly affected that decision.

Mr Murphy (Lowe) (3.51 p.m.)—Mr Speaker, I wish to make two personal explanations.

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

Mr Murphy—Yes.

Mr SPEAKER—Please proceed.

Mr Murphy—During question time today I asked the Prime Minister a question in relation to the banking industry. At the conclusion of the Prime Minister's answer to my question, he said that because I was shaking my head I was agreeing with him that my leader intends to reintroduce regulation of the banks. This is incorrect.

In relation to the other matter, on 9 November 2000 I made a personal explanation in this House about an AAP report of 11.23 a.m. that day titled 'Fed: Dawn Colston fights back'. That AAP report arose from the speech I made in this House on 8 November 2000, in which I referred to a telephone conversation which had been made to my parliamentary office by Mrs Dawn Colston, wife of former senator Malcolm Arthur Colston.

Mr SPEAKER—I would appreciate the member coming to where he has been misrepresented.

Mr Murphy—The 11.23 a.m. AAP report of 9 November 2000 wrongly reported Mrs Colston as claiming that the telephone conversation I referred to in parliament on 8 November 2000 never occurred. To its credit, AAP subsequently corrected that part of its 11.23 a.m. report in its 2.02 p.m. and 4.39 p.m. reports of 9 November 2000, by reporting—

Mr SPEAKER—I must interrupt the member for Lowe. I have no indication as yet of where he, as the member for Lowe, was misrepresented in anything he said. If he indicates to me that he is 'coming to it', I will want, not unreasonably, to know why he did not in fact preface his remarks with it.

Mr Murphy—The report said:

Mrs Colston admitted today she had spoken to a staffer of Mr Murphy's but denied she harassed her.

However, for the record I wish to correct the other inaccuracies in AAP's report. I have never claimed Mrs Colston 'harassed' one of my staff. The Hansard records of 8 November and 9 November 2000 show that I said that she, Mrs Colston, 'attempted to intimidate Ms Sheather'. The three AAP reports on this matter of 9 November 2000 all claim I told parliament yesterday 'a young Labor Party staffer' was 'harassed' over the phone in June by a woman identifying herself as Dawn Colston. This is incorrect. I described Ms Susan Sheather as my electorate officer, not as a young Labor Party staffer—
Mr SPEAKER—The member for Lowe has indicated where he was misrepresented—

Mr MURPHY—But there is one other thing. Finally, it was the AAP that first used the word ‘harassed’ in its 11.23 a.m. report of 9 November and subsequent reports—

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

Mr MURPHY—and which has continued to be used by the AAP and other news agencies in subsequent reports—

Mr SPEAKER—The member for Lowe will resume his seat. That was an abuse of the standing orders.

Mr HORNE (Paterson) (3.54 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr HORNE—Yes. I certainly do.

Mr SPEAKER—Please proceed.

Mr HORNE—Today, the Deputy Prime Minister, in reading a letter from Councillor Barry Ryan, Mayor of Gloucester Shire, claimed that yesterday I made comments to the effect that the road funding that was announced yesterday was ‘trivial’. You know, Mr Speaker, because you were in that seat last night when I gave a speech to this House, that I welcomed the funding but I also added that it is a shame that this government does not give back all the fuel tax it takes, for rural roads.

Mr SPEAKER—The member for Paterson will resume his seat. That too is an abuse.

Mrs CROSIO (Prospect) (3.55 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mrs CROSIO—Yes.

Mr SPEAKER—Please proceed.

Mrs CROSIO—On page 4 of today’s Daily Telegraph, Malcolm Farr reported that the seat of Prospect based in Fairfield received $13.2 million in road funding. As the elected representative of Prospect for the past 10 years, I would like to put on the record that that $13.2 million is shared among seven federal electorates in metropolitan New South Wales.

Mr SPEAKER—The member for Prospect will resume her seat. There is no indication as to where the member for Prospect has been misrepresented in that personal explanation; and I will deal with people who raise frivolous personal explanations sternly in future.

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.

Motion (by Mr Reith) proposed:

That the House take note of the following papers:


Debate (on motion by Mr McMullan) adjourned.

MATTERS OF PUBLIC IMPORTANCE

Immigration Reception Processing Centres

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

The government’s failure to properly manage Australia’s Immigration Reception Processing Centres

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 SCIACCA (Bowman) (3.57 p.m.)—We have seen over the last couple of days in
this parliament the Minister for Immigration and Multicultural Affairs, Mr Ruddock, failing to explain or, indeed, to answer any of the questions I have put to him and, if you like, saying that this is a situation which is not serious. I want to concentrate on what is developing into a sordid affair of mismanagement and negligence within Australia's immigration detention centres, leading to very serious and possibly criminal allegations of sexual abuse of children, and a systematic and institutionalised culture of silencing critics, failing to report incidents and complaints, and possibly covering up evidence to ensure reports to superiors are always rosy.

The first question that was asked of the minister was when did he first learn about the allegations of child abuse and, indeed, when did they first emerge. The minister says that he first heard in July; yet the Sydney Morning Herald this morning says it was 'some time in August'. The reality is that a letter was sent to the head of the Department of Immigration and Multicultural Affairs in Adelaide, by Mary Lindsay and Associates, and we table that document here today. The fax was sent on 18 April 2000. This was to Mr Smith, who was the minister's deputy secretary to the department in Adelaide at the time, and she says in the first paragraph of her letter:

Further to my telephone conversation with you last Friday, I formally list below the concerns I had while representing the illegal people in Woomera. I tried to get in touch with you yesterday but you were not available. I rang the Minister's Press Secretary and gave my comments to him. He asked if I wanted to put my concerns in writing—so here goes. I would be grateful if you would pass my concerns on to the Minister.

This is, on 18 April, a letter faxed to the Department of Immigration and Multicultural Affairs in Adelaide, referring to a conversation of 'last Friday'. Checking the calendar, 'last Friday' would have been 14 April, so it all fits: it is reasonable to assume that she took the weekend to put it in writing and sent it on the Tuesday. But she did so at the express request of the minister's press secretary and she did this in April this year. In April this year she said, towards the end of the letter—and I think this is very important:

I have learned today—and I stress here that this is second/third-hand information—that some reps at other camps had genuine concerns about children being sexually abused, yet when bringing these concerns to the notice of heads of firms, they had been advised not to get involved. Naturally, this caused great concern to many of the reps and it is my belief that it is this type of thing that caused many people to speak to the media off the record.

For my own part, when I heard about a similar case in Woomera I immediately spoke to the head of the ACM expressing my grave concerns about one young boy. He advised me that much had been done to try and make sure the boy was safe.

She goes on. During Senate estimates last week, senior DIMA officers claimed that the department was not aware of these allegations until July. The senior officer concerned—a first assistant secretary—claimed she was unaware of when Mr Ruddock was informed. I am not saying that the minister was informed and is misleading the House. I am saying, though, that his department, or someone who was supposed to inform him, did not inform him. Yesterday in question time my colleague the member for Jagajaga made an interjection and said, whilst the minister was answering the question:

This is a serious matter.

Mr Ruddock said:

I don't think it is.

Ms Macklin said:

What? You don't think it is serious!

I cannot think of anything more serious than the rape of a 12-year-old child and allegations that relate to abuses in detention centres. We are not talking here about adults—people that arrived here illegally. We are talking about children who have come to this country through no fault of their own, if you like. They have been drugged along. They cannot make these sorts of assessments and decisions. I put it to you, Minister, that I cannot believe you would say that this is not serious. Perhaps you were referring to the fact that it is not serious that they did not let you know. But that is another point. You can say that when you reply.

We then asked the minister a question as to the so-called document that was only
found last Friday week, I think—according to what the minister said—and handed over to the Department of Human Services in South Australia and the South Australian police last Monday week. Why was it that that document was not handed to the police at the time that this occurred? Why hasn’t the document been made public? Why can’t the minister say to us what the document is? He says that it is an incident report. If it is the incident report it is obviously one which a nurse got at the time and which the press has been able to find out about and so it has appeared in the press.

The minister pretends that everything has been done properly. If he has not failed in his duty to this boy, certainly someone has. Either it has been the staff at Australasian Correctional Management—ACM—or it has been the department itself in the sense that it has kept that document back for whatever reason. At the very least, it is a breach of guidelines and it is something which should be considered by an inquiry. As I say, it may not be a serious matter in some people’s minds but leaving that 12-year-old boy there from the time that the incident was supposed to have happened in March until November—eight months—was a fairly serious matter for him. I think that, in the end, someone needs to be called to account for these goings-on.

There have been a number of other questions asked of this minister over the last couple of days. One related to whether there had been any penalties incurred by Australasian Correctional Management in terms of any breaches. He did not answer the question at all. In fact, he threw us something that was on the Internet—the contract which, I understand, is up for renegotiation. We do not want to see that, Minister. We wanted you to tell us: have Australasian Correctional Management—ACM—ever been breached for anything that they have done? That was the question and you refused to answer it. I do not know why, but you refused to answer it. You do not want to talk about the document. You do not want to tell us why the document took eight months to appear—only when it appeared in the Australian newspaper. You do not want to tell us whether at any time Australasian Correctional Management have been breached. You do not want to tell us any of that stuff. All we can say is that the minister, his department or Australasian Correctional Management obviously have something to hide.

The minister’s inability to answer the opposition’s direct questions on this issue and his failure to clarify the reasons why reporting procedures and other standard procedures were not followed have resulted in a crisis of confidence in the management of Australia’s immigration detention centres. I believe that these events, and the failure to take appropriate action in a timely manner, are a culmination of a culture of lack of interest in and an attitude of abandonment fostered by the government’s attitude generally towards asylum seekers and those who enter Australia illegally. Of course the minister does not condone child abuse in the centres under his control. No-one would accuse him of that. The minister and his government, however, are guilty of fostering a culture of mistreatment of detainees by pandering to those sections of the community who believe that those who come to our shores illegally should be considered to be less than human.

The demonisation of asylum seekers and refugees has been perpetrated by the Howard government for years in the media. A large part of this has been their attempt to play wedge politics by pandering to those sections of the community who still subscribe to Hansonite policies.

The point here is this—and I want to make it quite clear—Labor believes in maintaining the integrity of the migration program. Maintaining this integrity, I believe, does necessitate some form of compulsory detention of those who arrive in Australia uninvited. However, I also believe that we can have compulsory detention and still maintain acceptable standards of care, especially care towards young children and women who often have had no choice or say in becoming asylum seekers and travelling halfway around the world in leaky boats to then be locked up indefinitely in the middle of the desert. There is no secret agenda here, Minister.

Mr Ruddock interjecting—
Mr SCIACCA—I have already said what the Labor Party’s views are. What you are doing is letting children down. As Saturday’s editorial in the Australian stated:

The Government’s approach to illegal immigration is hobbled by being stuck in a punitive mindset....

Asylum seekers in detention are being treated worse than the most dangerous criminals in our jails. Evidence of this mindset is the fact that, under the Howard government’s obsession with the privatisation of all public programs, we have seen the administration of immigration detention centres being handed over to the same private corporation that manages some of Australia’s toughest jails. Former ACM employees quoted in the Australian have stated that Woomera is being run absolutely on the cheap and that every last dollar has been milked out of the contract, leaving minimum detention standards to suffer. Further, they state that the systematic lack of reporting stems from ACM’s fear of being penalised by DIMA under its contractual arrangements. When such external pressures begin to influence the operation of a detention centre, or for that matter any enterprise, it is no wonder that a culture of secrecy, intimidation and conspiracy ensues.

Since the story broke, the opposition has been receiving calls from an increasing number of decent and honest people who have served at Woomera and other detention centres run by Australasian Correctional Management. Each day that this sickening saga is allowed to drag on by this minister more people are coming to talk to us. They are telling us of more horror stories that occurred day after day at these centres. They are appalled by hearing the minister say that these contractors have done an exceptional job. I will list just a few examples of what this minister describes as an ‘exceptional job’ done, and we have many more. These decent and honest Australians who worked there, some of whom, at risk both to their livelihoods and of legal action, have come out publicly and divulged some of what has been going on in these remote places, are coming to us in increasing numbers each day. They have all made it plain that they would come forward and give evidence to a properly constituted inquiry with the appropriate powers to afford them protection. In the little time available, I will give you some examples of what is reported to be going on in these places. I will start with the story that has dominated the issue so far; that is, the 12-year-old boy known as, let us say, ABC 12. It is not appropriate to identify him even in this demeaning fashion, because apparently one of the techniques to demoralise detainees is to call them by a code and number. I will paraphrase one nurse’s account:

The night the guards brought the boy to the medical centre, certain that they had established their suspicion of sexual assault after a long cat and mouse game with his father and other detainees in that compound, the nurse on duty was stopped by the ACM manager Jim Meakins from examining the boy.

Even though the guards said the boy came out of the ‘donner’ crying and holding on to his bottom. The manager stopped her from pulling his pants down and taking a swab.

The next day when that same nurse wanted to file a report of the incident, she was blasted, abused and reduced to tears by the senior medical officer who told her that it would harm the company and cost a lot of money.

I will paraphrase accounts from former various employees: ‘After a period of enduring the conduct of the medical officer humiliating, bullying and intimidating nursing staff and detainees alike—such as a chronic diabetic—a number of us nurses submitted a report to the general manager.’

I am told that the point about this report is that it was given to the ACM Centre Manager, Mr Meakins, as an incident report. I am also told that it is ACM company policy that only serious matters are put in an incident report, and that these reports must be copied to the general manager of ACM and to the Department of Immigration and Multicultural Affairs. What has become of that report? I am told it was given to the operations manager to follow up and see if there was any substance to it. As far as we know, this may be the document that the minister referred to in answering the question. Here are just a few more of these stories:

No baby food at Woomera until July this year, if young infants were not breast feeding, they
were given cabbage and rice. Many would not eat because it was so horrible.

Here is another one:

We had to admit some very young children into Roxby Downs Hospital because of gross malnourishment. They were officially admitted for ‘anaemia’ which is really secondary to and a result of malnutrition.

These stories go on. I do not know about the veracity of these stories, but this is what these people are ringing and telling us. Over 50 of them have said that they are prepared to go to an inquiry, providing you make it a full judicial inquiry and providing you give it the power to compel and protect witnesses. This is not about your staff; this is above your staff—it is above you. It is about looking after these children. It is about getting to the truth of these allegations. There are other allegations. There is one nurse from Woomera who claims she was raped by an ACM officer. She was devastated and terrified, and she subsequently has left.

The point that I am making and the opposition is making is this: we need a full, open judicial inquiry that will allow these people to come forward to give their stories. The Philip Flood inquiry which you have announced is nothing but a whitewash, a toothless tiger, and you know it will not get to the truth. We want the truth.

Mr Sciacca—I qualified what I said.

Mr RUDDOCK—You would not have raised it if you had seen it in that context. In relation to the incident report, I am not responding to those issues because there were investigations in relation to the situation involving this boy. There is conflicting evidence. There was an investigation which revealed that the Department Human Services were not going to act on that matter—and they may not still; we do not know. A further document has been made available to them, but they are the body to assess whether that is germane.

Let me go through the background to the situation we are dealing with. The member may not like being reminded of this but, when something like 1,280 people arrived in November of last year on boats, undocumented, the member said that it was a national crisis. For my department and the people who are involved in applying the law, the arrival of something like 4,000 people during the course of one year—2,000 of them within the space of two months—presented an extraordinary demand upon the department to meet its legal obligation under legislation enacted by Labor when in office. I want to take members through the system of mandatory detention which we operate here in Australia. The system of mandatory detention requires that people who are in Australia without a visa be detained until such time as they are either granted a visa or removed from Australia.
Mr Sciacca—There is no argument with that.

Mr Ruddock—That is the obligation—they have to be detained. That scheme was introduced on 1 September 1994 under the Migration Legislation Amendment Act of that year—part of the reform proposals initiated by Gerry Hand. It was passed by parliament with the support of the major parties. I was the shadow minister at the time. Gerry Hand, in his second reading speech—and you can see more of this is in Bernard Lane’s article in the Australian today—outlined the reasons for this system and sought to have it operating in such a way that, and this is a point I made at the time, people were detained for the least period of time by being able to get prompt, efficacious and just decisions out of the department, reviewable by the Refugee Review Tribunal but without judicial review. The fact is that Gerry Hand saw this legislation as providing a more effective means of regulating entry, detention and removal of people who did not establish an entitlement to be in Australia. He outlined the array of existing laws which had led to the legislation being necessary. That imposes a lawful obligation on the government and the officers to detain people.

We had two detention centres: one at Port Hedland and another at Curtin, which had been built in a similar situation facing a previous government—large numbers of arrivals surplus to the numbers that we could contain at Port Hedland. On this occasion it was necessary to build an additional facility at Woomera. Why at Woomera? Because it had to be ready within weeks. You could not get planning approvals from any local authorities. You were not going to be able to put it in one of our metropolitan cities, as a lot of people like to suggest. It had to be on Commonwealth land where there was an airport readily accessible, and people had to build a detention centre from scratch. That meant that there were enormous demands not only in providing security and accommodation but also in meeting the detention responsibilities in a humane way. I do not say, and I have never asserted, that it was ideal—it was not. But the circumstances we are looking at now need to be considered in that context.

Mandatory detention is part of an overall framework of maintaining the integrity of our borders. It is not meant to be punitive—it is not meant to punish people. It is meant to provide a situation where the most important result—that is, the removal of people who have no lawful basis to be here—can be achieved. That is the reason it is there.

Mr Sciacca—There is no argument with that. Tell us about those incidents.

Mr Ruddock—I will deal with the issues and I will deal with them in the way I intend to deal with them. Mandatory detention ensures that we are able to deliver an outcome which has produced reduced numbers of unlawful arrivals—people not having to put their lives at risk on hazardous voyages to get here in the expectation that they will be released inevitably into the Australian community. Last November we had 1,280 people; this month we have 144.

Mr Sciacca—That’s good. We are not attacking mandatory detention.

Mr Ruddock—You are seeking to unwind it and you are supporting the agenda of those people who raise these issues over and over again, particularly when they relate to two or three incidents; certainly involving children, that should never have occurred—

Mr Sciacca—Serious ones, at that.

Mr Ruddock—Yes, serious. There are two or three incidents that are used as a basis for putting every person under—

Mr Sciacca—Not by me.

Mr Ruddock—That is what it does because it suggests that all those people who are in detention are people who are about abusing children. That is what it does. That is the view that is being formed in the Australian community. They are being demonised, as are my officials for the way in which these issues are being dealt with. Let me deal with the issue of the unlawful arrivals. There were very significant demands being placed upon us. Even during that time when we had something like 1,300 detainees in the Woomera detention centre and conditions were not optimal, we still arranged for the visits of Chris Sidoti, the Human Rights Commissioner at the time, in March 2000, the Joint Standing Committee on Migration
in January 2000 and the Commonwealth Ombudsman in July. There were something of the order of 178 children in the group of 1,300 people who were detained in that period around March 2000 yet, when Chris Sidoti met with the detainee representatives and the women's group, the issues raised related only to the building of a mosque and the ability of detainees to post their mail—nothing was raised in relation to child sexual abuse. That was at a time when the detention centre had four contracted doctors and 16 nurses on site. Early in March a counsellor was employed on site for the first time, and a second counsellor, a recreation officer and an education officer were employed at the centre later in that month.

Reference has been made to the immigration detention standards. I would like to take members through them. A contract was signed in 1998 with Australasian Correctional Services. Prior to that, provision had been made of services, without any quality standards specified, by the Australian Protective Service. I am not suggesting that they were deficient in the way in which they undertook their task, but detention standards were developed in concert with the Ombudsman to outline our duty of care, as well as our security obligations. The detention standards, which were set out in the contract which I tabled earlier, dealt with issues of the lawfulness of detention, the need to treat detainees with dignity and respect, the privacy entitlements of detainees and provisions in relation to social interaction and safety. There were sections dealing with selection and training of personnel, competency requirements and personal attributes. There were arrangements set out for the management and the security of the detention centre, including operational orders, the maintenance of security arrangements, detainee records, the reception of detainees, the retention of their property, and issues relating to the transporting of them, as well as their accommodation.

It also dealt with issues of discipline—when force can be used and issues in relation to instruments of restraint. It set out complaints mechanisms—that material was to be made available on site to advise people of their right to complain to the Ombudsman right to complain to the Ombudsman as well as to access the Human Rights and Equal Opportunity Commission. It set out, in relation to the management of detainees, quarantine and public health requirements; their clothing, bedding and health needs; their food; and their hygiene requirements. It dealt with individual care needs. It dealt with unaccompanied minors, infants and children, expectant mothers, infants in detention, the psychiatrically disturbed, as well as religious aspects. It dealt with community contact—when people could be available to meet with them—notification of death and illness, and monitoring and reporting. It set out that, when incidents were of a particular nature, they had to be reported—those that were regarded as minor and those that were regarded as significant and major. A very comprehensive set of arrangements was set out in the contract, with penalties, as I have outlined, in relation to exceeding those standards, as well as any failure to meet with them.

Those standards are reviewed by the department on a regular basis. It is required under the contract that it be quarterly, and the contract requires that certain amounts of money are put aside if performance is positive against the criteria. If the assessment is negative, something of the order of three percent of the contract payment is withheld. Over the last nine quarters there were five negative assessments, and two of the highest amounts that in fact were withheld were $69,000 and $98,000. As I have said before, these matters have to be applied in accordance with the contract. They are matters which, if we fail to properly deal with them, would be drawn to the Auditor-General's notice.

It is important to note that these sorts of incidents we are seeing are not new. For instance, when the Labor Party was in office, there were suicide attempts, escapes, hunger strikes, fires that were deliberately lit, and assaults by detainees trying to coerce the government into making particular decisions. Under Labor and the APS management, we had one of the first major break-outs from a detention centre when 100 people walked out. We had in the same period people
climbing onto the roof of a building at Port Hedland—and two women jumped, one of whom ended up in a wheelchair. It is the case that Labor, at the time when it was managing these issues in that way, was supported by us comprehensively. When we were briefed on these issues, we understood them and we cooperated. I am disappointed that the bipartisanship that has been enjoyed on these matters has been withheld by you—

Mr Sciacca—We are looking after a kid here.

Mr RUDDOCK—The child will be looked after by the relevant authority—Family and Youth Services—and that is the body that is responsible. (Time expired)

Mrs CROSIO (Prospect) (4.27 p.m.)—Can I remind the Minister for Immigration and Multicultural Affairs that the matter of public importance before the House proposed by the honourable member for Bowman—the government’s failure to properly manage Australia’s immigration reception processing centres—is very clear, very distinct. Of all the evidence that was submitted by the member for Bowman to the minister during the debate, not one of those questions has been answered. The child has been forgotten. All we seem to get is a diatribe from the minister, talking about when Labor was in office. Well, I remind the minister, who is scurrying out of this House—

Mr Ruddock—I am not.

Mrs CROSIO—Well, good, stay; it is the debate. I remind the minister that, when Labor was in office, the reception centres and the detention centres were not privatised. The privatisation of these centres occurred in 1997, Minister, not 1998. That is one of the pertinent points that the minister seems to be forgetting. These centres, now under private contract, seem to feel that their obligations are no longer to this minister and this government and that they can do what they like, when they like and how they like. And, therefore, if any reporting of any misdemeanour was to occur with the staff operating in them, all we know now is that they may suffer a fine. What about the child? What about the people who were detained? What about what happens to them? I did not hear the minister disclaim anything in the article that appeared on Wednesday, 22 November in the Australian, which stated:

The private company that runs the Woomera Detention Centre played down sexual abuse allegations because it faced a penalty of up to $20,000 if it were found negligent, ...

It then went on:

The culture within Australasian Correctional Management was geared towards avoiding accusations that it had not exercised a proper duty of care ...

That came from a former employee of the correctional management centres. Not once has the minister stood up in this parliament to deny any of those accusations in that very public paper. But we do have this quote:

A spokesman for Mr Ruddock said yesterday that a penalty would be imposed only if ACM did not report or respond to matters.

“I don’t think it would be right to say that just because something occurred they would be penalised,” the spokesman said.

If sexual abuse were proven—and we know it can be proven against this young boy—it could attract a penalty of up to $20,000. The allegation would be ACM hasn’t exercised proper duty of care.

Well, it was good enough for ACM to milk nearly $1 million a month from the Woomera and Curtin detention centres when they were full earlier this year, and that is the pertinent point. I would like to come back to privatisation. I believe, even in privatisation, that having a set of procedures to follow is required by law. None of us object to that, but I think the minister and his department cannot wash their hands of it. The Canberra Times stated yesterday, and I again quote for the minister:

... that one reason for this—that is, the reports being allegedly suppressed—was that the privately operated centre feared it would lose money under its contract with the Department of Immigration and Multicultural Affairs if there were any adverse publicity.

Minister, why aren’t you objecting to those quotes? Why are illegal immigrants treated as criminals? Why are they locked up with
no question and no exceptions? We simply lock them up with a one-size-fits-all solution, even when some of these people could be considered genuine refugees. Again, I refer to yesterday’s article, which the minister chose to overlook in his reply to the honourable member for Bowman just a couple of minutes ago. The minister has appointed Mr Flood to take on a special inquiry, and the article states:

Mr Flood, were he allowed, may delve even deeper and ask whether any of the ugly and un-Australian attacks on the inmates by the minister, Philip Ruddock, have played any role in creating a culture of mistreatment of the inmates. No-one would think that Mr Ruddock would condone child abuse.

And we do not. It continues:

But his pandering to lobbies which have seen a minor explosion of illegal boat people, many with genuine claims to refugee status, may well have played a role in creating an environment in which inmates are treated with conscious roughness, are made to feel as if they are there for punishment, and in which any critics are dismissed as busybodies with secondary agendas.

Minister, that is what you should be coming into this House to explain and this is what we in opposition would like to hear from you.

I would like to go closer to home in the time I have left in this debate. The Villawood Detention Centre has a stated capacity, as quoted in the Joint Standing Committee on Migration report, *Not the Hilton*, of approximately 275 people. When the inspection of the centre was carried out by the committee, there were 334 detainees there, including 38 children of whom three were unaccompanied minors. I wonder what happened to them. Since 1997, ACM, Australian Correctional Management—a very controversial firm, I believe, which is in charge of Villawood—has been in trouble constantly with this government for failing to report the alleged use of excessive force in the management of Villawood. In April 1999, ACM failed to report an incident where a detainee was moved from Villawood with an alleged excessive use of force.

This government is, I believe, negotiating with ACM for another three-year contract extension. The 1997 contract is due to expire in December. ACM is the locally, wholly-owned subsidiary of the United States based security company Wakenhut Corrections, which won the contract to run the detention centres. It won the contract because of its experience in prison management in the United States. Concerns about this company have even been raised by the Human Rights and Equal Opportunity Commission, which noted in its report that ACM certainly had experience but only in the running of prisons. Surely detention centres should be administered differently from prisons. Even the minister would have to admit that. We will never know, because attempts to determine the commercial arrangements between the federal government and the company are continuing to be frustrated by the commercial-in-confidence clauses which are not in that contract which was tabled by the minister in the parliament today. There are no clauses in there which tell us what is going to be the commercial arrangements which restrict. Why haven’t we got them? Because it comes under commercial-in-confidence; it is restricted from freedom of information.

From their takeover in 1997 to June 1999, in just those two brief years, we have had four separate break-outs from the Villawood centre involving more than 30 detainees, and why wouldn’t they run? We have constituents complaining about what is happening, and I will give you some of my constituents’ complaints. There is an extensive wait at the door when you go to visit a detainee, and this is not because of the line of visitors but because the guards will not attend to you. The visiting hours are short. The dining room where the visitor and the detainee meet is filthy, and there are 10 tables at which four people can sit. The walls are covered in food stains and graffiti. The chairs and the floors are in such a disgusting state that you would not even step on them with two-metre stilts. There are no amenities available to those in the dining room. When visiting hours are over and all the detainees leave, they are then searched. The guards put on gloves and feel the detainees. In my opinion, this is very degrading, not to mention that it could be classified as sexual abuse. I am not doing anything underhanded here; the minister has already received a list of these complaints from me. But the complaints continue.
are not enough beds for all residents. Those who do not get a bed simply sleep on the floor on a thin mattress and are given very little to keep themselves warm. The food is inedible; it is not that they do not like it but that it is foul tasting and thought to be prepared in an ill manner. The surroundings are dirty. The floors are covered in filth. There is only one bathroom for 150 to 200 people. This one bathroom is kept in an unhygienic manner such that it has a terrible stench. There is a grass area for the detainees to use. However, they are rarely allowed on to it. No food is allowed to be taken into the locked prison area, yet there is no place to leave it in the dining room. The walls are covered in offensive language and comments. Windows are left open during the night, causing the dorms to be very cold, and detainees are kept with very little warmth. The entire detention area is very much like a prison. Guards treat you badly, as if you are a murderer. The loudspeakers are on all of the time and they are so loud they keep you awake even if they are whispered into. If you need a shave or a shower, you have to go and tell the guard and ask for basic needs such as soap, shaving cream or toothpaste.

Minister, I know I wrote to you on that matter and I did receive your reply in which you said that the Villawood centre ‘is currently undergoing an expansion project, which will greatly enhance the facilities for detainees’. It is not the facilities so much; it is the treatment of the detainees. We all condemn people-trafficking. We all recognise that there has been a major global racket and that Australia is one of the countries being targeted. It is not easy to provide an effective watch over Australia’s 37,000 kilometres of coastline. However, the current tactics by this government seem to be using people as a means to an end, and this is what should not be tolerated. I agree with Father Frank Brennan when he said that it is the universality of detention, regardless of a person’s circumstances and also regardless of their age, particularly the thought that young children or very old people could be held in custody, that sends that message as a deterrent to other human beings. The number of Australia’s unauthorised arrivals is small when compared with other OECD countries, yet our detention regime under this minister and under his privatisation, as stated by even Margaret Piper of the Refugee Council of Australia:

... is definitely one of the most draconian and least flexible. Detention is used elsewhere for specific groups considered to be a risk. In most regimes there is also a regular review of detention by an independent body.

The Australian got it right again when, on 25 November, they stated:

The Government’s approach to illegal immigration is hobbled by being stuck in a punitive mindset.

(Time expired)

Mr WAKELIN (Grey) (4.37 p.m.)—I rise to support the Minister for Immigration and Multicultural Affairs on this matter of public importance. Child abuse in any form is a matter of great regret, and it greatly disturbs me to hear of it wherever it is, whether it is at Woomera, allegedly, or whether it is in Sydney; wherever it is in this country or wherever it is on this earth it is to be highly condemned and opposed. Any mechanism whatsoever which can prevent it and bring those people to account should be used, and that is what this minister is doing.

Under this Federation, there are certain things the Commonwealth can do and certain things the Commonwealth cannot do. The strict legal matter of sexual abuse is a state matter, and the state government of South Australia is investigating this issue. I think the government was faced with an unprecedented difficulty, which the minister has well outlined—1,280 arrivals in one month and 4,000 in one year. That is unprecedented. Comparatively, this month there were 144 arrivals—almost one-tenth of last year’s figure. Under South Australian law, there is a mandatory requirement for people to report a suspicion of sexual abuse. I hope that those people, for whatever reason—and those facts will come out as time goes on—will always remember that there is that legal requirement.

The minister has mentioned Chris Sidoti, the parliamentary committee and the Ombudsman. I will add my own name and my regional police officers who visited Woomera in January of this year. So there...
was no lack of letting the community know that there were plenty of people to talk to about this issue; that they should feel free to approach me or anyone else. There was no such approach to me or my office about this issue of sexual abuse. There are 226 members and senators in this parliament. The people who are working at Woomera come from all over Australia. Let us be quite clear: I think most Australians understand that they can approach their members of parliament, not to mention their state members, with these sorts of difficulties. I know the state member for Giles, Ms Lyn Breuer, has had a keen interest in this matter. I am sure people would have felt free to approach her, and she would have taken the appropriate action as well. I do not think she would mind me saying that.

The people of Woomera initially welcomed the extra economic activity, but as time went on they saw the break-out and then they saw the riot. Their patience has been sorely tested. Seeing and hearing these allegations in the national media and in the national parliament now would be of great concern to them. But I, as a local member, wish to acknowledge their contribution, their perseverance and their integrity in the way in which they have supported the processes at the processing centre at Woomera.

I want to address the issue of what choice Australia had with the unprecedented arrival of illegal people. What could Australia do? The Australian Protective Service did not tender for a contract back in 1998. There was a contract in place. What were we going to do? What were the options? The government already had a mechanism in place with ACM. There were performance indicators and standards. We heard the minister say that there was consultation with the Ombudsman. So what was the government going to do? Was it suddenly going to insist that Australian Protective Service provide the necessary infrastructure and the necessary personnel to do it? I have not heard one comment from the opposition about setting up a new government run correctional services department. Are we going to ask the states to do it? I hear no options, no alternatives whatsoever. I challenge the opposition, with all their criticism, to show us the alternative way they might have done it. We have these people in our country. The matter has to be dealt with.

**Mr Sciacca**—You’ve missed the point. We’re not attacking the detention regime.

**Mr WAKELIN**—I hear the member for Bowman. I say to the member for Bowman that I am encouraged to hear him support the principle of mandatory detention, which I understand was an ALP introduced principle. The ALP support that. But, in terms of the management processes, the minister said that under the Labor government not everything ran perfectly and smoothly all the time, and they acknowledge that too, I think. Under the alternative government, the Labor government, we know that things went off the track. These charges are yet to be proven. They are yet to be shown to be absolutely correct.

**Mr Sciacca**—That is why we want an investigation.

**Mr WAKELIN**—The matters are under investigation, which is appropriate. I remind the member for Bowman that that investigation is under way and that the charges are yet to be proven. The Woomera facility was built to deal with unprecedented situations.

I turn to the issue of child abuse. I do not think there is a more hideous crime than sexual abuse of a child. Whatever the nationality or the colour of a person’s skin, child abuse is unacceptable to Australian culture, to our way of life and to our law. In this case we are focusing on Woomera and people who I think most Australians would regard as queue jumpers—I do not think the Labor Party would deny that. The shadow minister agrees with me.

**Mr Sciacca**—The kids aren’t.

**Mr WAKELIN**—No, and that is part of the tragedy. But, in focusing on this issue, I think we should consider the Australian community and the child abuse and child sexual abuse that is regrettably occurring within our society. We should spare a minute to think of those Australian children who are being sexually abused. We should do all we can in this parliament to check and counter this problem wherever it occurs.

I commend the government for the way it has handled this issue in the face of great
trials and difficulty. I would like the opposition to be much more supportive. Labor members should offer many more constructive suggestions about how we might manage this matter better rather than simply sitting on the fence and making unnecessarily opportunistic comments about a very difficult issue. *(Time expired)*

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

**ASSENT TO BILLS**

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

- Criminal Code Amendment (Theft, Fraud, Bribery and Related Offences) Bill 2000
- Family and Community Services (2000 Budget and Related Measures) Bill 2000
- Health Insurance Amendment (Rural and Remote Area Medical Practitioners) Bill 2000
- Patents Amendment (Innovation Patents) Bill 2000
- Veterans' Affairs Legislation Amendment Bill (No. 1) 2000
- Health Insurance (Approved Pathology Specimen Collection Centres) Tax Bill 2000
- Tobacco Advertising Prohibition Amendment Bill 2000
- Vocational Education and Training Funding Amendment Bill 2000

**BILLS RETURNED FROM THE SENATE**

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

- Taxation Laws Amendment Bill (No. 7) 2000

**MAIN COMMITTEE**

**Mr DEPUTY SPEAKER (Mr Jenkins)—**I advise the House that the Deputy Speaker has fixed Wednesday, 29 November 2000, at 9.40 a.m., as the time for the next meeting of the Main Committee, unless an alternative day or hour is fixed.

**PARLIAMENTARY ZONE**

**Approval of Proposal**

Motion (by Miss Jackie Kelly, for Mr Anderson) agreed to:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposals for works in the Parliamentary Zone which were presented to the House on 27 November 2000, namely:

1. construction of Commonwealth Place;
2. construction of Magna Carta Monument; and
3. temporary works associated with the GMC 400 V8 Supercar Race Carnival to be held in 2001.

**TRADE PRACTICES AMENDMENT BILL (No. 1) 2000**

**Second Reading**

Debate resumed from 27 November, on motion by Mr Hockey:

Upon which Mr Fitzgibbon 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 failing to fully embrace the recommendations of the Joint Select Committee on the Retailing Sector including:

(a) the establishment of a mandatory code embracing the principle of “like terms for like customers” and the mandatory notification of retail stores and wholesale operation acquisitions by publicly listed corporations, and

(b) the establishment of a National Uniform Retail Tenancy Code, and

(2) calls on the Government to facilitate open debate about the full impact of the GST on the viability of small businesses”.

**Mr KELVIN THOMSON (Wills) (4.51 p.m.)—**Small business is one of the groups from which this government receives support under false pretences. The other two groups are people in rural areas and retired people—but they are not the subject of this debate, so I will have to leave that contribution for another time. This is a government that talks the talk of small business but does nothing for them. Any time that issues arise that impact on the welfare of small business, this government is nowhere to be found.

We saw that in relation to the problems that small business experienced with the
banks, for example. This government was missing in action. We saw it in relation to the problems that petrol franchisees and retailers experienced with the major oil companies. This government was missing in action. We saw it in the way that this government fitted up small business with the GST, massively increasing their compliance burden when it had told small business operators that it would reduce their red tape burden by 50 per cent. Finally we have seen it in the area with which this Trade Practices Amendment Bill (No. 1) 2000 deals: the issue of retail tenants and their relationship with shopping centre owners and managers.

The measures in the bill, insofar as they go, are welcome. But where have we seen them before? When I looked at this bill, I thought to myself, ‘I have seen these measures before.’ It did not take me too long to find them. I went back to the resolution passed by Labor at its national conference held earlier this year in Hobart. I have to say that the government from time to time chides the opposition on being policy free, but the sequence of events here is clear enough: a policy outlined by Labor at its national conference in Hobart and a number of those measures subsequently appearing in government legislation. It is great that the government has seen fit to pick up our policy proposals. But it ought to be understood that that has occurred on the basis of our dragging this government, kicking and screaming, to do the right thing by small business in the retail industry. That Hobart resolution is worthy of outlining to the House in full. It says:

Labor expresses its concern over the growing concentration of market power in the grocery retailing sector and the impact on small and independent retailers and on rural and regional communities. Labor commits to the adoption in government of the following principles based on the recommendations of the Joint Select Committee on the Retailing Sector...

The first two dot points state as follows:

... the addition of the word ‘regional’ in the definition of ‘market’ under Section 50 of the Trade Practices Act...

Those first two dot points are two of the three provisions that are an important part of this legislation. The other dot point that is picked up by this bill is that which refers to the raising of the transaction limit under section 51AC of the Trade Practices Act to $3 million. That enables retail tenants, where the amount involved is less than $3 million, to have recourse to the remedies which the trade practices legislation allows. These recommendations are now being picked up by the government, and this is welcome.

But I will go on to the other dot points in our resolution in Hobart because they indicate further areas which we believe the government should pick up and which we believe would be of considerable additional assistance to small business and to retail tenants. Those further points set out in our national conference resolution in Hobart are for the establishment and funding of a Retail Industry Ombudsman; the mandatory notification of retail grocery store acquisitions by publicly listed companies; the mandatory notification of wholesale business acquisitions by retailers and retail businesses by wholesalers; and the establishment of a mandatory retail grocery code of conduct, as recommended by the joint select committee, with the inclusion of the principle of ‘like terms for like customers’. Finally, our resolution refers to maintenance of the legislative restrictions on who may own and operate community pharmacies.

A lot of good work lies behind these recommendations, and I am aware that you, Mr Deputy Speaker Jenkins, contributed to that work. That is all good policy that was adopted by Labor in Hobart. We hope that the government will see fit to implement that policy in due course, as it picks up a number of recommendations in this bill.

This is a government that has been governing all too often on behalf of the big end of town and dismally failing small businesses. While here we have some of the recommendations of the Baird retailing inquiry being implemented, it is clear that the government has turned its back on many of the
changes which small business need—and, indeed, on many of the changes which were recommended by this all-party Baird inquiry. So, to the extent that this bill makes changes that implement that committee’s recommendations, we will be supporting them, as the member for Hunter has indicated.

There are a few other things that the bill does as well. It seeks to change a number of enforcement provisions. Those things arise out of the 1994 Law Reform Commission report. In particular, it will increase the maximum penalty levels in the act to $1.1 million for offences against the consumer protection provisions. I might point out that there is some irony in the penalties that are set here. This is saying that if you rip off consumers you are subject to a maximum penalty of $1.1 million. Some in the House might recall that the penalty for breaches of the GST legislation involving consumers was $10 million. So the government’s general view is that, if you rip off consumers, you should be liable to a penalty of up to $1 million, but if you rip off consumers and mention the GST while you are at it then you are liable to a penalty of up to $10 million. That is a terrible offence. So it is a ‘don’t mention the war’ message which is being given to small retailers—you can rip them off but don’t mention the GST or you will be liable for a penalty of up to $10 million.

Something else the bill does is to allow the court to impose non-monetary penalties, such as community service orders, probation orders and adverse publicity orders. I think people who watched Professor Fels in action around the introduction of the GST would question that there was a need for a change in the law to allow the ACCC to engage in adverse publicity; the ACCC has already been using the adverse publicity trick with considerable effect. The bill also extends the limitation periods of the act to six years and will ensure that the courts give preference to compensation over fines and pecuniary penalties.

Passage of the bill will also allow the New South Wales government to enact the change made to the Retail Leases Amendment Act to prevent unconscionable conduct in respect of retail shop lease transactions. Because of constitutional limitations, the Commonwealth has to enact savings provisions in the Trade Practices Act for the New South Wales law to operate. That provision has quite a long history and it is a pity that this has taken so long to happen. The Labor Party initially tried to effect this change by the moving of an amendment to the A New Tax System (Trade Practices Amendment) Bill, which the government then voted down, and the member for Hunter later introduced it as a private member’s bill in his bid to help small businesses in New South Wales.

Now we see the government making the necessary changes through this legislation. It is good that it has occurred, but it is a shame that it has taken so long. It is a matter of politics triumphing here, leading to delay. It would have been much simpler if they had simply passed Labor’s initial amendment. I myself have a private member’s bill regarding quarterly superannuation guarantee payments that I think represents a simple, effective and needed change, and I hope that the government will see fit to either support my bill or introduce their own and take this issue up. On a positive front, the bill allows the ACCC to intervene in private proceedings instituted under the Trade Practices Act. They will be given the ability to address issues of public interest in doing this. It will also change the requirements of the ACCC’s reporting procedures, so we should see from this information included in their annual report about complaints received, the major issues that they have been involved in, descriptions of these major issues and so on.

Of the greatest interest to me are changes that arise from the Baird retail committee. I have taken quite a longstanding interest in issues to do with small businesses and retail tenancies. It is something which has come forward since I was in the Victorian parliament. It has come forward as a problem from retail tenants, particularly in the large shopping centres rather than in the strip shopping centres. Some of the matters of concern were, in the first place, retail shop trading hours and, then, the need for the adoption of a uniform retail tenancy code. Back in September 1997, when I spoke in the House on these issues, I observed that the government
had squibbed one of the most important recommendations of the House of Representatives Standing Committee on Industry, Science and Technology, and that was the recommendation for the adoption of a uniform retail tenancy code. Instead, at the time, the government said: ‘We’re going to take this issue back to the states. We’re going to have a meeting of the relevant state ministers.’ There was talk about the constitutional limitations on government. They said, ‘Look, we can’t legislate for this on a national basis.’ That simply is not true.

The fact is that the corporations power gives Commonwealth governments the power to legislate in respect of corporations, and it is highly likely that such a power would enable the Commonwealth to fix a uniform retail tenancy code, with all the important provisions that such a code should have concerning disclosure, tenancy mix, the rights of retail tenants to form associations within shopping centres and the like. The government continues to avoid this issue. It is noteworthy that the Joint Select Committee on the Retailing Sector also recommended a national retail code. This is an important recommendation, so I will read it out in full. Recommendation No. 7 of the committee’s report says:

The Committee is concerned that Recommendation 2.1 of the Reid Report, which deals with the Uniform Retail Tenancy Code, has not been implemented. In particular, the Committee is concerned that, in major shopping centres, there is a lack of transparency with regard to the cost of floor space rent. That is, the seller (landlord) has knowledge—the buyer (prospective tenant) has none. Prospective tenants are therefore prevented from making informed decisions in assessing the ‘market rent’ as it applies to particular areas of retail space.

The committee therefore recommended that the government revisit this issue with a view to implementing a uniform retail tenancy code through the operations of the Council of Australian Governments. How did the government respond to this issue? They said: ‘It’s a problem for the states. We are not going to look at this problem again.’

Labor will take action on this issue. As we resolved at the national conference, Labor have committed to adopt in full the recommendations of the Joint Select Committee on the Retailing Sector. As I indicated earlier, some of those recommendations are being implemented here but far from all of them. The bill will insert the term ‘region’ into section 50 of the Trade Practices Act, section 50 being the merger provision. This was an important issue in the retailing inquiry and one that the National Association of Retail Grocers of Australia were quite keen to see occur. They know very well the effect of mergers on small grocers.

This is a sensible change. It recognises that Australia is a diverse place and that it is unfair to consider the effects of mergers or like acquisitions on an all-of-Australia basis. The local effects in a small town of a merger or like acquisition may result in the closure of an important shop or supermarket and, while that merger might look insignificant if you are looking at these things on a national basis or across the state, its local effects can be very substantial indeed. I would hope—and, indeed, expect—that the ACCC will now take a greater level of interest in mergers and like acquisitions.

The second of the amendments to the act arising from the recommendations of the Joint Select Committee on the Retailing Sector is the increasing of the transaction limit under section 51AC from $1 million to $3 million. This simply extends the range of businesses and transactions that the ACCC will now be able to be involved in. It has been found since the introduction of this provision that $1 million is too low and needs to be higher. We also see here an amendment to the legislation which will extend the ACCC’s power to take representative actions under part IV of the Trade Practices Act.

For the first time this will enable the ACCC to recover damages on behalf of a small business person who has suffered as a result of a breach of part IV of the Trade Practices Act. The ACCC currently has the power in part IVA and part V, so this change will help make the act more consistent and help to protect small business people. Let me also indicate that I think these changes are very modest and that more action is needed in this area generally. I note that the Victo-
rian state government has implemented a review of the retail tenancy legislation. To my own certain knowledge, the Minister for Consumer Affairs has set up that review. The sorts of issues which need to be discussed in such a review are the dispute resolution mechanisms and the question of retail tenants who have more than 1,000 square metres not being able to access any of the provisions of the legislation. I think it is also appropriate to look at the vexed and, admittedly, controversial issue of reasonable security of tenure, because that continues to be devil the area of retail tenancies and put too many retail tenants in a situation of ‘heads we win, tails you lose’. Retail tenants who are unsuccessful lose a great deal of money, and retail tenants who are successful all too often find their leases not being renewed so that landlords can soak up the goodwill that they have generated through their own hard work.

None of this, as good as it is, compensates small business for the damage that this government has done to small business through the introduction of the GST. That is the reason why the member for Hunter has moved the second reading amendment that he has. I note that at present small businesses are going through a very difficult time filling out their business activity statements. Recently there was a survey carried out for Monash University by Pitcher Partners. That survey found that 59 per cent of family businesses did not believe that the GST was good for them and 81 per cent of family businesses did not believe that it had cut their costs. Notwithstanding the government’s triumphalism about the success of the GST for ordinary small businesses, it is proving to be quite a nightmare. We have a situation where even the Prime Minister suggested that the BAS might need to be simplified. I do not know whether he has got the Treasurer’s agreement to that observation, but certainly we believe that we need a simpler and fairer GST so that some of the burden which has been imposed on small business by this government can be lifted and we can bring about government which has a better understanding of small business needs rather than one which simply talks about the significance of small business but in practice makes their lives a heck of a lot harder.

PERSONAL EXPLANATIONS

Mr SWAN (Lilley) (5.10 p.m.)—Mr Speaker, I wish to add to the personal explanation I gave earlier this afternoon.

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

Mr SWAN—I certainly do.

Madam DEPUTY SPEAKER—Please proceed.

Mr SWAN—Earlier today, in a personal explanation to the House, I sought to respond to speculation in articles in the Canberra Times of Saturday and yesterday. I stated that I had undertaken on my behalf a manual search of available printed electoral rolls for the relevant period. I would like to report to the House that a continuing manual search undertaken on my behalf has revealed I was enrolled in these further Queensland entries: (1) the 1973 electoral roll of Ryan records me enrolled at Emmanuel College, the University of Queensland, St Lucia; (2) the 1974 electoral roll of Ryan records me as enrolled at Emmanuel College, the University of Queensland, St Lucia; and (3) the 1979 electoral roll for Ryan records me and one other person as enrolled at 46 Soudan Street, Bardon.

TRADE PRACTICES AMENDMENT BILL (No. 1) 2000

Second Reading

Debate resumed.

Mr BEVIS (Brisbane) (5.12 p.m.)—I will be brief in my contribution on the Trade Practices Amendment Bill (No. 1) 2000. I thank my colleagues for allowing me to place a few matters on the record. The member for Hunter and the member for Wills have quite fully set out details of the bill and those aspects of it which the opposition is happy to support and have quite properly pointed to the government’s lack of response to the concerns of the small business community, only one of which I want to make note of before turning to the specific issue that I wish to make some comments about.
The impost of the GST is a concern for small business. It is strange for the government to seek the support of the small business community and to claim to be assisting it through the measures in this bill at the same time as it is imposing a very onerous burden, both time-wise and financially, on many of those small business operators. I thought a very telling commentary on that fact was the recent Morgan and Banks survey, which demonstrated a level of concern in the business community that I have not seen in any survey on any question. Ninety-three per cent of businesses said that they were worse off and that their profitability had suffered as a result of the GST. You would be hard pressed to put any question to the business community on which you would get a 93 per cent return. For the government to have achieved that is an indication of how badly business in Australia is hurting as a result of its other measures. It is quite disingenuous of the government to claim to be seeking to alleviate the problems of small business when in fact it has been the culprit in generating one of the major problems that the business community confronts today.

The specific issue, though, which I briefly want to make mention of is the aspect of the bill that seeks to extend powers to the ACCC to conduct representative actions under part IV of the act. The Labor Party have supported that, as has been mentioned. However, we have made it clear for many years—and I make it clear again in the House today—that the Labor Party do not believe that the secondary boycott provisions should be dealt with under trade practices law. We have made it clear, as we did when we were in government and when we legislated in government, that those matters should be dealt with in an industrial relations framework. When these matters come forward in the Senate, it is our intention to move amendments to carve out the secondary boycott provisions from this bill so that it is clear that the wider, more extensive powers that the bill affords the ACCC are not used as a backdoor method by the government in its ongoing ideological campaign in the industrial relations community.

Those listening to this debate for the first time may believe that that is a fairly wild assertion to make, so I will briefly comment on the government’s track record in that respect. This government has, through virtually every piece of legislation in the industrial relations area, sought to reduce the authority and the role of the independent commission and the powers that it has. It has sought to reduce and sideline the role of organised labour—that is, of the trade union movement. It has gone beyond that and sought to manipulate other forums that deal with the settlement of disputes. The clearest example of that is the measures this government sought to take when establishing the Federal Magistrates Court. There are some very clear parallels.

When the government sought to establish the Magistrates Court it was intended to deal with the overload of work, principally in the Family Court. It was a proposition that was supported by the Labor Party. We acknowledged the need to assist in dealing with that burden that the Family Court was having to handle. But, in the government’s usual way of dealing with these matters, it decided to slide into that legislation a provision to allow the newly created Magistrates Court the power to deal with the most sensitive areas of industrial relations law, to deal with those areas that inevitably are involved in disputes and those areas involved in regulating organisations—that is, regulating unions.

The very highly charged areas of industrial law were to be handed over to the Magistrates Court, a new court being established for the first time and which was to have all of its personnel and all of the magistrates appointed by this government. That was no accident. The government, its ministers and supporters have been publicly on the record attacking decisions of the Federal Courts in industrial relations. As the Federal Courts have handed down decision after decision attacking decisions of the Federal Courts in industrial relations. As the Federal Courts have handed down decision after decision that this government and particularly the Minister for Employment, Workplace Relations and Small Business do not like, they have made it clear that they would look to places to get the answers they wanted, which is why in the second wave legislation they sought to allow these matters to be dealt with...
exclusively by state courts. They believed in some states they had a better chance of success before that state Supreme Court than they might have before the Federal Court.

The simple fact is that that sort of forum shopping is not conducive to good public policy and is certainly not conducive to good industrial relations. But it is typical of the backdoor methods by which this government has sought to further undermine the conditions and rights of ordinary working men and women of Australia. It seems to us that this bill is another example of the government seeking to do exactly the same thing again. So the government will have the support of the Labor Party to deal with those matters in relation to the operation of small business that have been referred to, but in the Senate we will move amendments to excise from the bill those secondary boycott provisions, and that will put the government to the test. If the government is fair dinkum about wanting to assist small business, the bill will pass without problem. If, however, it has another agenda, as it did in the establishment of the Magistrates Court, and if the industrial relations agenda of this government is to override the trade practices considerations in this bill, then we will see the government fight that and bring it back into the House. And so be it if that is the case.

I want to make it clear that the Labor Party will not be supporting the bill with the secondary boycott provisions contained within it, as is the case now. We will move to have those matters excised from the bill and we will then see if the government’s agenda is as they have to this time said it to be—to assist small business—or if the minister for workplace relations is up to his old tricks, like he was when the Magistrates Court was being established, and is trying to slip another anti-worker, anti-union practice through the back door.

Mr HORNE (Paterson) (5.20 p.m.)—The Business Review Weekly would not be a magazine I would normally read or quote from, but I would like to quote from the Business Review Weekly from earlier this month. It says:

During the 1996 federal election, Prime Minister John Howard promised small businesses he would halve their paperwork and red tape. He lied. What Howard meant was that by 2000, the paperwork of most small-business owners would double ...

During question time today we saw the Treasurer rise to his feet in response to a Dorothy dixer to expound the virtues of the business activity statement. We heard a glowing report about the business activity statement—the statistics on how many million statements had been received by the Australian Taxation Office, how well business was coping with it and how many days they had to comply with the extended deadline. He told us everything about the BAS except its lack of popularity.

I have developed a theory about the Treasurer. When the Treasurer responds to a Dorothy dixer and gives a glowing report about some piece of government policy, we should all go away and peruse the papers of recent days to find what critical comment has been made about that piece of government policy. Today it was not hard and did not take long. We only had to look at the Australian Financial Review to find a comment under the headline ‘BAS still a burden as final deadline looms’. There, in direct contradiction to the glowing report the Treasurer gave, we find the following concerning an online survey conducted in the 48 hours leading up to the previous BAS deadline of 11 November:

The survey attracted 1,300 responses from small- to medium-sized enterprises, many of which criticised the complexity of the BAS and the lack of consistent advice from the Australian Taxation Office.

The survey, conducted by market research firm Brands Online Ltd, found that businesses with less than 20 employees had been hardest hit.

Brands spokeswoman Dr Fiona Stewart said the survey showed that the larger the company, the better prepared it was to comply with the new tax system.

“Micro companies—those employing less than five people—felt they should report annually, while a 500-employee company should be reporting quarterly,” Dr Stewart said.

You can really see how the policies of this government support small business. This is the government that parades before the people of Australia and puffs out its chest and
says, ‘We are the supporters of small business.’ Perhaps during his jaunt into Queensland and northern New South Wales last week the Treasurer had the opportunity to sit down and talk face to face with a few local small business people and learn just how hard it is out there for them, particularly in rural and regional Australia. This year alone, small business has had to face a number of changes, including the GST, a new tax system and escalating fuel prices. I was quite surprised by the Treasurer’s comment of just a week or so ago. I firmly believe that he thinks everyone outside the metropolitan area is entitled to receive a 24c a litre rebate for their diesel fuel. Madam Deputy Speaker Kelly, you know that is not so; you know that the tradespeople in rural and regional Australia do not attract that sort of relief from their fuel prices and that in fact they are paying the highest prices in Australia. Yet they have to try to conduct their small businesses.

Other things that have faced small business include escalating interest rates—and I will refer to that later—and the Sydney Olympics. While the Sydney Olympics may have been great for Sydney, I can assure all members of this House that in rural and regional Australia they definitely had a negative effect. In my own electorate, tourism is a big industry. That industry missed out during the last school holidays, during which the Olympics were held—bookings were down—and they firmly believe that at Christmas time bookings will be down because people have pre-spent their holiday money in attending the Olympics. Of course only time will tell. There was also a shortage of construction material for the building industry and, prior to the GST, a shortage of labour, particularly in New South Wales. Since the GST has come in, there has been an escalation of prices—because there is a GST on construction materials now that was not previously there.

These are some of the problems that many of the businesses carried out in rural and regional Australia have had to contend with. As I say, this is a government that claims to be the champion of small business. According to a report in the Financial Review that is not so—the changes do not favour small business. Indeed they favour big business. I suggest that the only reason why this government would be the champion of small business is that many big businesses are becoming small businesses. Like you, Madam Deputy Speaker, I represent a regional electorate. I talk to small business people and I know how hard it is for them to operate in the business environment this government has created. If the Treasurer wants to bask in the glory of his business activity statement, so be it—we on this side know the pain. The situation is conflicting and we await the Treasurer’s response. Sooner or later, I am sure the pressure from small business people will force this Treasurer to amend his response to the way this government is treating small business people.

Of the groups of small business people in the electorate I represent, some have had even greater change, and I speak of dairy farmers. They have had a major change to contend with. Deregulation has been a major blow for not only the farmers but also the rural communities around which they centre. Towns like Dungog and Gloucester in the electorate of Paterson will suffer enormous losses. Their local economies will have to refocus because their main earning capacity has been lost. I think for Dungog, a town of a couple of thousand people, and its surrounding area, with of the order of 5,000 to 6,000 people, it has been estimated that the local economy will be down about $17 million per annum because of dairy deregulation. That will affect not only the farmers but every retail industry, every service industry, in that town—they will all lose income. That single piece of legislation that the government is now having an inquiry into will have a disastrous effect on that economy.

Only last Saturday I sat down with a dozen dairy farmers and their wives and listened to the stories of how their income had been drastically reduced and the complexity of it. We all know that in north-western New South Wales there is now a tragic flood at a time when a grain harvest should be being harvested. It will not be harvested; it will be wasted. What is that going to do to grain prices? I guess they are going to go right
through the roof. We now have dairy farmers struggling on something like 27c a litre for their milk, having to buy grain that they will not be able to afford, simply to keep their milk production up. I wonder whether anyone is thinking about helping them out.

The broiler industry is also a very big industry in my area. In this industry small business people are doing it hard. Generally, there are only two people involved in the business. We have heard how it is the small businesses that are affected by the business activity statement requirements. Generally in this industry there are only a husband and wife in the business. The husband works in the chicken shed and the wife does the books. That is the way it is. These people will also be paying for escalating grain prices. How will they be able to compete?

The thing that concerned me most was when I listened to a third generation dairy farmer assuring me that his family had always banked with one of the big Australian banks but now they have put a penalty rate of 17½ per cent on him, simply because his earnings do not satisfy their requirements to pay the overdraft that he has. Bank officials visited his home, sat in his lounge room with him and told him point-blank, ‘We do not want dairy farmers on our books.’ I welcome the Prime Minister stepping in and saying to the banks, ‘Be fair to the people in flood ridden Australia. Go out there and do your best to help them,’ but I would like this government to understand that there are many small business people in the rural economy who are also hurting and need relief, and they are being ignored by this government.

I was interested to hear the minister for small business, in answer to a question in the chamber today, claim that the government is the only party that understands small business. It does not understand the needs of small business people in Paterson, I can assure you of that. I could go on about added fuel prices and the unfair burden borne by small business people, simply because of the economy of scale. The Woolworths supermarket brings in the B-double which is full of groceries, but for the small shop owner on the corner the groceries come in on the back of a ute. Of course, the labour costs for the driver are the same. The economy of scale means that the small operator cannot compete. It is not a level playing field for them.

I was stunned when the Deputy Prime Minister stood up in the chamber today and read out a supposed congratulatory letter to him and this government on the reduction of transport costs. I have communities that do not have ports, that do not have rail, and where everything comes in by road. The constant theme I am getting from all businesses is that the cost of transport has gone through the roof and it has made many businesses uneconomic. Someone is not telling the story as it is. I believe that I am getting the right message from the small business people I talk to. I believe that they are telling me exactly how hard it is because I know that many of them are working long hours. They are reducing staff to cope with increased overheads and many of them are looking at going out of business.

A number of communities in my electorate only have small business. They do not have supermarkets and the big Target stores. A town of 2,000 will never have such stores. I suppose it is disappointing that this government, which claims to be the champion of small business, does not, with this piece of legislation, support the small and independent sector. In its 1999 report, the government committed itself to acting on many of the committee’s recommendations, but it rejected a number of proposals. Those proposals, NARGA believed, were vitally important. They believed they were crucial. The proposals included making the proposed industry code mandatory; the inclusion in the code of the principle of like terms for like customers; mandatory notification of retail grocery store acquisition by public listed companies; the mandatory notification of wholesale business acquisitions by retailers and retail business by wholesalers; and the establishment of a national uniform retail tenancy code.

We all know how the principle of renting in a big shopping area goes. You get in the big retailer at a token rental and it is the small speciality stores that pay the actual return to the investor. We all know about that sort of thing. We know about the predatory
pricing that goes on in the supermarket, which means that the fruit and vegetable man out there can only look at the bananas being sold for 99c when he knows that he had to pay $1.69 for them at the markets that morning and he cannot compete. He knows that they are not trying to make a profit on it; it is purely to get the customers to come in. These are the sorts of practices that we know exist. We know they are unfair and we just wonder what the government is going to do about them.

I will conclude with a small comment. Yesterday when the Treasurer answered a question he got up and talked about Paul Keating. He still likes to do that because, I am sure, he still feels threatened by that person. He may model himself on him but he still feels threatened by Paul Keating. He loves to get up and talk about the recession that we had to have. I wonder whether this Treasurer will be responsible for the recession we did not have to have. I can tell you that, from the way people in small business are responding to me, his odds are definitely shortening.

Mr MURPHY (Lowe) (5.36 p.m.)—This evening I want to speak on the Trade Practices Amendment Bill (No. 1) 2000. I support the opposition amendment moved by the shadow minister for small business and tourism, Mr Joel Fitzgibbon, to condemn the government for failing to fully embrace recommendations Nos 5 and 7 of the Joint Select Committee on the Retailing Sector and discussing the impact of the GST on small business. I will raise these matters later in this debate.

This bill is non-controversial in some respects, and I would like to focus firstly on those aspects which I particularly support. The bill makes some changes to definitions under the Trade Practices Act 1974, as well as amending the enforcement and remedies provisions of the Trade Practices Act to extend the maximum penalty levels under the Trade Practices Act to $1.1 million for crimes against consumer protection provisions; allow the Australian Competition and Consumer Commission to mediate in private proceedings and institute representative actions for violation of the restrictive trade practices provisions; increase the time period for court action to be taken where a damage claim may be made; provide the court with the ability to impose non-monetary penalties, such as community service, probation orders and adverse publicity orders for violation of the Trade Practices Act; and ensure that the courts give preference to compensation over fines and pecuniary penalties. I would like to discuss each of these areas in turn. However, I would first like to look at the definitional changes made to the concept of ‘market’ under the bill. At present, the Trade Practices Act defines ‘market’ as a:

... substantial market for goods and services in Australia, in a State or Territory.

However, the bill amends this definition to include ‘regional markets’ as part of the definition. Therefore, under amended section 50, acquisitions or mergers that could strongly reduce competition in a substantial market in a region of Australia will be prohibited.

I turn now to the provisions which relate to penalty and enforcement of breaches of the Trade Practices Act. At present, the maximum level of fines is set at $40,000 for an individual and $200,000 for a body corporate. However, according to the Bills Digest, in 1994 the Australian Law Reform Commission recommended that the penalties for violating the consumer protection provisions be increased to ensure that they reflected community disapproval of breaching the law. Under this amendment, the penalty will be increased to $220,000 per individual and $1.1 million for a corporation and will apply to offences perpetrated after the commencement of this bill.

I turn now to discuss the new section 79B added to the Trade Practices Act 1974 concerning a preference for compensation payments. The existing range of remedies does not always guarantee that a successful complainant receives compensation. This amendment allows the court to give priority to compensating the plaintiff and, if the court considers that the defendant should also pay a fine or pecuniary penalty but believes that the defendant has insufficient financial resources to meet both liabilities, the court
must direct the defendant to pay compensation first. This is a good thing.

I turn to the issue of the limitation period for damages claims and additional orders, which at present is three years from the date on which the cause of action occurred. However, the amendments made to this section are good, because they extend the limitation period to six years. This is because the amendment allows the disadvantaged person to initiate alternative dispute resolution or, alternatively, court action, and they have more time in which to do it.

I turn now to the expansion of the range of non-monetary penalties for violating the Trade Practices Act. According to the Bills Digest, the Australian Law Reform Commission cited several reasons for having non-monetary penalties, including: large monetary penalties do not necessarily result in corporate offenders taking internal action against responsible officers, therefore further violations could occur; the burden of a large monetary penalty may be borne by shareholders, workers or consumers rather than the responsible officers or the corporation; monetary penalties may convey the impression that offences are purchasable commodities or a cost of doing business; large monetary penalties may force companies into liquidation; and monetary penalties may be prone to evasion through subsidiaries and asset stripping. Given these reasons, it is appropriate to allow the court to order a non-monetary means of punishment for contravention of the Trade Practices Act 1974. Examples are (1) a community service order directing the person to perform a service that is identified in the order and conduct it for the benefit of the community—for example, a community awareness campaign on compliance issues—and (2) a probation order which may entail establishing a compliance, education or training program for company employees and/or revision of the internal administration which led to the violation of the Trade Practices Act.

I now turn to the issue of recommendation No. 7, that is, to implement a national uni-
form retail tenancy code. Labor has repeatedly called for recommendation 2.1 of the Reid report to be implemented to ensure that: ... prospective tenants are able to make informed decisions about ‘market rent’ in terms of retail space.

The government’s decision not to endorse this recommendation when it is clearly in the interest of Australia’s largest employer—that is, small business—and therefore employees, is bizarre to say the least. It is this government that prides itself on being the champion of small business. I am at a loss to understand its failure to endorse this recommendation. I call on those government members of the joint standing committee to stand by their recommendations and not by their party when it comes to implementing changes which are beneficial to small businesses across Australia, including many in my electorate of Lowe.

I also refer to the issue of the effect of the new tax system on small business and the broken promises of the Prime Minister to the small business community. As I just mentioned, small business is the major employer in Australia today. Yet the Prime Minister, despite promising reduced paperwork and red tape burden, has now increased the paperwork of small business people by over four times with the difficult business activity statement. My office has been contacted by numerous small business men and women who are at their wits end with this BAS. Not only have they had to adjust to the GST, the new terminology and the pay-as-you-go system but their paperwork has massively increased in volume and in difficulty.

I was recently contacted by an electrician from Five Dock in my electorate. The electrician claimed to be a Liberal voter. He said he was furious at the Prime Minister’s broken promise to small business to reduce red tape. He was angry about the new BAS statements, which are 10 pages long and have to be done quarterly. The paperwork has been increased fourfold. He tells me that he will not be voting Liberal at the next federal election. He has not said that he will be voting for us, but he is obviously very angry with the government. He is angry with the broken promises of the Howard government. He is angry that, instead of decreasing red tape by 50 per cent by the year 2000, as promised by the Prime Minister, the government has increased it by over four times.

Small business has suffered since the election of this government in 1996, notwithstanding the rhetoric we hear on a daily basis in this House, particularly from the Prime Minister and the Minister for Employment, Workplace Relations and Small Business. The government has attacked those who have been their traditional supporters and small business men and women know that, to ensure that trade is fair, that taxation is fair and that red tape is reduced, they are going to have to turn to the Labor Party at the next federal election. I am certain there are many others in this situation. I was listening intently to the speech by the member for Paterson prior to my speech. I have also been reading some of the reports in today’s Australian Financial Review. On page 26 there is an article titled ‘BAS still a burden as final deadline looms’. Inter alia, it says:

The final extended deadline for the business activity statement is only two days away, and it’s closing in fast.

Although most people are ready, there are still problems with the BAS itself, according to tax partner with Pitcher Partners, Mr Michael Hay.

“Most people are coping with the extended deadline but they are having difficulties with how the BAS form is set out.

The article goes on to say:

His view is echoed by responses from an online survey conducted in the 48 hours leading up to the previous BAS of November 11.

The survey attracted 1,300 responses from small- to medium-sized enterprises, many of which criticised the complexity of the BAS and the lack of consistent advice from the Australian Taxation Office.

The survey, conducted by market research firm Brands Online Ltd, found that businesses with less than 20 employees had been hardest hit.

Brands spokeswoman Dr Fiona Stewart said the survey showed that the larger the company, the better prepared it was to comply with the new tax system.

Dr Stewart is quoted as saying:

Micro companies—those employing less than five people—felt they should report annually,
while a 500-employee company should be reporting quarterly.

The article goes on:

More than half of the respondents filled out their own BAS forms, despite the difficult accounting jargon in the instruction book and the complexity of the BAS itself.

One respondent pleaded for the material to be simplified. "Condense the BAS instruction book to a simpler format so that even the average subcontractor could complete their BAS without having to pay their accountant to assist them.

Another respondent said:

I found it difficult to work out where to put my pre-GST income onto the BAS form. Only after hours of searching on the net did I find the solution—nowhere in any of the ATO booklets.

Another respondent summed it up like this:

There is too much too soon.

The article goes on and on. Quite plainly, these problems as reported in today's Financial Review are parallel to the sorts of complaints that I have been getting in my office. Curiously, on page 47 of today's Financial Review there is a letter that was written by Andrew Goldberger of Guests Accounting in Melbourne, Victoria, and it is titled 'Big trouble for small business'. I will just read you a little bit of this letter:

The Government should seriously take heed of small business concerns.

The most objectionable part of the proposal is the 'profits first' rule, under which repayments of interest-free loans will be subject to tax. This will occur notwithstanding that the monies lent are from after-tax funds. This effective double taxation proposed to be imposed on small business cannot be justified as an appropriate tax policy.

In relation to BAS it says:

Similarly with BAS, and in particular PAYG instalments—

I referred to those earlier in my speech—

it had long been accepted that small to medium-sized companies pay their income tax mainly after the end of the income year. This was in recognition of the fact that it takes time for a company's profits to be converted into cash in view of the trading cycle, which includes sale and purchase of stock and collection of debtors.

The Government has now seen fit to bring tax collections forward under the new PAYG system. Despite some deferment measures, the new system will negatively impact on the cash flow of small business.

So it is not all good news, as we hear on a regular basis in this House from the government, for small business. I do not think it is right that the government can come in here every day and say that they are the champions of small business, because quite plainly in relation to these issues they have let down small business. I think the government have to take note of what is being reported in our media and, in particular, the amendment that we have moved to this bill. It is not too late. The government can have a rethink, and they can pass the bill as amended.

In conclusion, quite plainly small business are not appreciating being tax collectors for the government. I commend the opposition amendment to the House and call on the government to implement recommendations which will ensure that small business are properly protected under the Trade Practices Act 1974.

Ms HALL (Shortland) (5.55 p.m.)—The Trade Practices Amendment Bill (No. 1) 2000 has been a long time coming. Small business could be forgiven for thinking that the government is reluctant to introduce legislation that will offer them some degree of protection—not the protection that they expected, I might add, but some degree of protection. This perception is further reinforced by the government's failure to adopt all the recommendations made by the Joint Select Committee on the Retailing Sector. Three major recommendations from that report—a report that received unanimous support from members of that committee—have not been accepted and are not included in this legislation.

I wonder why? Why is it that members of a joint select committee will support all the recommendations when they are in that committee but, when it comes to the legislation that we are considering before this parliament, allow key recommendations to be ignored? I do not think it is good enough. I am sure that the members on that committee—the members that have obviously been heavied by the minister and the Prime Minister—are not happy about it either. Obviously those government members who sup-
ported those recommendations did not have a real commitment to the report, did not have a real commitment to the recommendations and did not have a real commitment to small business—and they stand condemned for that—unlike the members of the opposition on that committee who actually followed through on the commitment that they made. The shadow minister’s amendment demonstrates the opposition’s commitment to the recommendations in that report and also to small business in Australia.

The ALP are the party that support small businesses. We recognise the important role that small businesses play in Australia. We realise that we need to look after our small businesses, and we realise that, by looking after small businesses, there will be more jobs for all Australians. This government boasts that it is the advocate of small business and the party of small business and that it represents the interests of small business—but it has hardly shown it here. All I see is a government that is determined to destroy small businesses and inflict the maximum amount of pain it can on them. It is a government whose present to small businesses is the GST—it was an early Christmas present. But the BAS is the icing on the cake—the one that they have to contend with at this time of the year as Christmas approaches. The GST is set to hurt and destroy small business in Australia. The effect of the GST on small business is enormous. The Prime Minister made a promise to small businesses. He promised that the government would halve their paperwork and get rid of all the red tape. We are getting pretty used to the Prime Minister’s promises in this place, to seeing how real they are and how much commitment he has to them. We have only to look at the price of petrol and the impact of the GST on petrol to really see the importance that the Prime Minister places on a promise.

The GST has doubled the paperwork for small businesses. They have less time to run their businesses because it takes them a lot more time to complete the paperwork and fill out the forms. They have had to spend extra money on accounting fees and an enormous amount of money on computers and software packages. I might add that those software packages do not even work properly. The reason small businesses have had problems with the software packages they have bought is that the government has had to constantly change its GST package and the firms who are producing the software are unable to keep up with the changes. I even know of one small business that has a very good package but said, ‘I’m just going to do my own spreadsheet and prepare it that way.’ We all know that the lead time to the introduction of the GST was insufficient and that that placed enormous strain on the resources of small business. If there had been more lead time, these computer packages could have been finetuned, making it easier for small businesses. The GST has been very complex. One small business operator I was speaking with today on the telephone said that it has cost a fortune. A system that was introduced supposedly to help small business has cost a fortune, is complex and is impossible to operate. The forms small businesses have to fill out, including the BAS, collect so much data relating not just to the required tax information but also to information that the government can use only for statistical purposes. I hardly see this as a government that is committed to small business.

The government’s GST present to small businesses in Australia, as I said, is a costly and complex system that will impact on the profitability of small businesses. In many cases, it will affect their viability. It is a present that will result in many businesses actually having to fold and close their doors and thousands of Australians will lose everything. This government says that it is the party that supports small businesses; I would hate to see what it did if it were actually attacking them. This government is not telling the truth. It does not support small businesses; it supports the big end of town.

This is a government that has got no compassion and no understanding of the everyday problems that small businesses experience. When government members go back to their category 1 schools, as two-thirds of the government frontbench do, they are not put in touch with the real people who face the real battles every day of their lives. They do
not know what it is like to struggle. They do not know what it is like to have to make sacrifices just to keep their business operating. But small business is not fooled by this government, and the recently released Morgan and Banks survey is testimony to this. The survey shows that 92 per cent of small businesses say their profitability is down. Think of the implications that has on our economy in Australia. The GST has impacted on petrol. The consumption of petrol has fallen because people cannot afford to pay for it, thanks to the government’s GST present. The retail sales figures are down, thanks to the government’s GST present. Businesses are faced with the prospect of having to absorb the GST. Many businesses have done that, but that is only a short-term solution. In the long run, the GST is going to bite and it is going to impact on so many businesses in Australia. As it impacts on those businesses, it is going to hurt the families who own and run them and it is going to affect the people who are employed by them. It will shrink the employment opportunities that are available to Australians and it will hurt so many people.

I want to draw to the attention of the House the problems experienced by small businesses in the retail sector, particularly those that operate in large shopping complexes. These problems have been exacerbated in New South Wales by this government’s inactivity. Like all members in this House, I have heard many sad tales of small businesses losing everything because of the unconscionable behaviour of shopping centre owners. Businesses lose massive amounts of their business when sections of the centre close for renovation, so their profits go way down. Yet those businesses still have to pay their rent; they still have to deliver to the shopping centre owner. That is hard. They are going from week to week, day to day, and all of a sudden they do not have the business passing by their door. Some shopping centre owners refuse to renew the lease of the person operating there, so all their capital, all their life savings, goes just like that. Or the shopping centre owners allow a cut-price competitor to open opposite where somebody has invested their life savings and all of a sudden people stop buying from that shop. This is hurting everyday Australians.

What about goodwill? Shopping centre owners say that the tenants are there because the management of that shopping centre allows them to be there; therefore, they have no goodwill whatsoever.

There are many examples in the electorate of Shortland of people who have been hurt by this type of behaviour. One example is of a family of three brothers who invested everything in Cut Price Deli. They mortgaged their house and every last asset. They went home one night and the next day they returned to find that they had been locked out of the centre. They are still struggling because of that decision. Another example is of a tobacco shop owner who had been a miner and had injured his back and received a compensation settlement. He invested everything into that tobacco shop. Then the shopping centre decided that one of the cut-price operators should be allowed to operate in a little kiosk outside his shop. You can imagine the impact that that had on his business. Another example is of a dress shop owner. A shopping centre management decided that she no longer deserved the right to operate in the centre and refused to renew her lease.

Tens of thousands of dollars are lost by Australians who have made a commitment to operate a small business and provide employment for many thousands of Australians in this country. What protection do these small businesses have? Where would they be now if the New South Wales legislation had been in operation over the last two years? All they wanted was a non-controversial amendment to the Trade Practices Act, which has been taken care of now, but all those businesses in New South Wales have suffered needlessly for two years. If that legislation had been in place, some of those people I mentioned need not have lost everything. The New South Wales legislation was passed in 1998. The New South Wales Retail Leases Amendment Act dealt with unconscionable provisions in shopping centre leases just like the examples I have given. All that needed to happen was for the Trade Practices Act to be amended before the New South Wales legislation was proclaimed be-
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cause, under section 109 of the Constitution, there could be a conflict between state and Commonwealth laws. As we all know, in that situation the Commonwealth laws take effect. So, if the New South Wales legislation were in conflict with the Commonwealth Trade Practices Act, the Commonwealth law would prevail.

The New South Wales government has been most concerned and frustrated about the delay and the impact that the delay has had upon the small businesses in that state. Upon learning of this frustration, I contacted the small business minister in New South Wales, the Hon. Sandra Nori, and learned of the impact of the government’s failure to enact this legislation. After talking with her, I found out that the Retail Leases Amendment Act was quite simple legislation. It provides a mechanism for an early and equitable resolution for disputes—the kinds of disputes I was talking about. One of the most significant features of the New South Wales legislation is that it will save businesses thousands of dollars in unnecessary legal costs whilst at the same time providing affordable access to justice for small businesses, particularly in the area of unconscionable conduct. Currently, the only remedy that is available is expensive litigation.

The New South Wales legislation is all about looking after and protecting small businesses in New South Wales and saving them from these enormous legal costs, but the Commonwealth did not deliver its side of the bargain. The Commonwealth provided repeated promises to enact the legislation. The Minister for Financial Services and Regulation, Joe Hockey, kept promising to help but did not. He said that he was going to hurry things through. All I can say is: if two years is pushing legislation through, I would hate to see what would happen if this government decided to go slow. I would hate to see what this government would do if it were assessing the performance of workers in this country. The lack of action by the Commonwealth has cost tens of thousands of dollars. I really believe that the government stands condemned for its inaction, for causing so much hurt to small business in Australia, for delaying implementation of this legislation and for not including in this legislation all the recommendations of the report I talked about earlier.

Small business in Australia, particularly in the retail sector, is bleeding. It is hurting and this government is doing nothing but exacerbating that hurt. Not only should the New South Wales legislation be enacted in New South Wales; it should also form the basis for uniform national legislation or a uniform retail tenancy code. That brings me to the need for a mandatory code of conduct. We all know that unless a code of conduct is mandatory it will not work. We need a code obliging all the participants in the industry to be involved. A voluntary code of conduct will not work. The end result of leaving it to the discretion of those people in the industry to choose to be involved will be that it will not work.

This government, under the leadership of John Howard, has dudged small business. It has failed to deliver the promised reduction in paperwork and red tape to small business in Australia. It has failed to introduce all the recommendations of the parliamentary committee, particularly the recommendations that its own committee members supported. Every day, this government makes it harder for small businesses and proves it is not their friend; rather, it is only interested in its friends at the big end of town.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (6.15 p.m.)—I thank those honourable members who have made a contribution to this debate. Those listening will not be surprised to hear that coalition members who have made a contribution to this debate. Those listening will not be surprised to hear that coalition members made a very much more thoughtful contribution collectively than did those on the other side.

The Trade Practices Amendment Bill (No. 1) 2000 contains a package of law reform measures that will improve the way in which the Trade Practices Act delivers protection to Australian small business and consumers. This bill reinforces the philosophy of consumer sovereignty: providing protection for consumers while promoting the availability of choice, information and redress necessary to ensure that consumers can make their own decisions. It seeks to consolidate the legal
rights and responsibilities of the Australian community by ensuring that the Trade Practices Act operates effectively.

The amendments currently before the House address the problems identified by the Australian Law Reform Commission in its report, *Compliance with the Trade Practices Act 1974*, and the Joint Select Committee on the Retailing Sector in its report, *Fair market or market failure?* Honourable members will be well aware that the government is committed to developing and supporting a healthy and dynamic retail industry that provides a fair and competitive environment for retailers while delivering the best results for all Australians. The amendments in this bill signify the government’s resolve to provide appropriate protection for small business and a fairer playing field for all.

Honourable members will be aware that the government recently launched the retail grocery industry code, which was a recommendation of the Joint Select Committee on the Retailing Sector. The code demonstrates that a diverse industry such as the retail grocery industry can work together to provide industry solutions to industry problems. The government is confident that this voluntary code will address the problems being experienced by small business and give small business a fairer go in the marketplace.

Mr Deputy Speaker, you will not be surprised to learn that the government rejects both parts of the amendment moved by the honourable member for Hunter. The honourable member for Hunter could not expect the government to support such an appalling amendment. The government is committed to developing and growing a healthy, dynamic retail sector that provides a fair and competitive environment for retailers while producing the best results for our consumers. Our response to the report of the Joint Select Committee on the Retailing Sector delivers on this commitment.

The government has developed a range of initiatives to address concerns raised during the parliamentary inquiry. They include the amendments to the Trade Practices Act in this bill, which were made in response to the unanimous recommendations—I stress that point—of the Baird committee. The government also established a committee to develop the voluntary code of conduct and ombudsman scheme for the retail grocery sector. This retail industry code of conduct was launched on 13 September this year. It applies to the whole retail grocery industry as a voluntary code, and its development demonstrates that industries as diverse as the retail grocery industry can develop industry solutions without the need for heavy-handed government intervention.

The honourable member for Shortland—who delivered such an unconvincing speech that even she could not believe what she said—the honourable member for Hunter and the honourable member for Cunningham expressed disappointment at the fact that the government has chosen not to introduce a mandatory code. The government has said that, if our voluntary code fails, it will consider a mandatory requirement. We believe a voluntary code is a much better way to go. We want to give it a chance to work, and we believe it will work. I give an assurance—which I will repeat for those on the other side who may not have understood—that, if it fails, the government will consider a mandatory requirement.

This comprehensive package addresses problems encountered by smaller competitors in the grocery market without compromising the benefits of vigorous competition to consumers. I understand that the honourable member for Scullin also called for a mandatory code of conduct.

Mr Jenkins interjecting—

Mr SLIPPER—He is obviously an old-style socialist. We want to have an appropriate code that will work, and we believe this code will work. The honourable member for Scullin—who is at least being honest and true to his socialist commitments in asking for a socialist scheme—will be disappointed to know that the government is not going to indulge him on this particular matter.

Ms Kernot interjecting—

Mr SLIPPER—The honourable member for Dickson ought not to interject because, given the rorting in Queensland, one does not know whether she was validly elected in the 1998 poll.
Ms Kernot—Mr Deputy Speaker, I raise a point of order.

Mr DEPUTY SPEAKER (Mr Mossfield)—Order! The parliamentary secretary will resume his seat.

Ms Kernot—I find that remark offensive. It is the second time that the honourable member has made that comment in this chamber and I ask him to withdraw that implication.

Mr DEPUTY SPEAKER—Yes, that was an inappropriate remark. I ask the parliamentary secretary to refrain from making comments of that sort.

Mr SLIPPER—Mr Deputy Speaker, I said that one does not know whether the honourable member was validly elected. If she finds what I said offensive—

Ms Kernot—I do.

Mr SLIPPER—Then I am happy to withdraw it.

Mr DEPUTY SPEAKER—Thank you.

Mr SLIPPER—The electors at the next poll will know that she ought to lose her seat because she is a very ineffective representative of the people of Dickson.

Ms Kernot—On that point of order: I ask the parliamentary secretary to withdraw that comment without qualification.

Mr DEPUTY SPEAKER—I thought the parliamentary secretary withdrew his remark.

Mr SLIPPER—I did withdraw, Mr Deputy Speaker. The second arm of the amendment moved by the honourable member for Hunter calls on the government to facilitate open debate about the full impact of the GST on the viability of small business. The government will not support this part of the amendment either. The government has implemented successfully what is probably the largest structural change to the Australian economy since the Second World War. Our economy is no longer being held back by an outdated and inefficient tax system. Households are benefiting from income tax cuts worth $12 billion annually and increased family assistance of $2.4 billion annually. Some $4 billion in cuts for exporters mean that small businesses, as well as large businesses, are receiving the benefits. The September quarter consumer price index showed that the effect of the new tax system was actually lower than the government forecast.

On 8 September, the ACCC also released a comprehensive review of the price impact of the new tax system. That involved the collection of data from around 10,000 retail outlets in 115 cities across Australia, including 90 towns in regional Australia. The survey indicated that 45 per cent of all items surveyed by the ACCC fell in price after the introduction of the GST.

A couple of members opposite referred to the Morgan and Banks study. This study indicated that some 90.5 per cent of those who responded commented that they were totally opposed to the proposal by the Australian Labor Party to roll back the GST. As the Treasurer pointed out, this would make Labor’s roll-back policy one of the most unpopular policies in federal political history—and the Treasurer in his media release did not hesitate to point that out. He went on to say: Accompanying the release on profitability were three other press releases. They were as follows:

(i) “Australia Wins Gold Again” finding that a record number of businesses will be hiring permanent staff in the next quarter.

(ii) “No Worries for November GST Payments” indicating only 12 per cent of employers were worried about cashflow in meeting GST payments

(iii) “GST Rollback Not Appropriate” showing a resounding 90.5 per cent of businesses oppose Labor’s roll-back policy.

And I would emphasise that over and over again. These surveys show that overwhelmingly businesses are coping well with the introduction of the goods and services tax; they are not worried about cash flow and employment is booming.

The honourable member for Shortland in her speech claimed this government was not the friend of small business. Everyone knows that the Australian Labor Party is certainly not the friend of small business. If the ALP were sympathetic to small business and employment creation, then it would have supported the Workplace Relations Amendment (Unfair Dismissals) Bill 1998, which has been rejected by the Labor Party on a number of occasions. This particular bill sought
to exclude new employees of small businesses, other than apprentices and trainees, from the federal unfair dismissals regime and to require a six-month qualifying period of employment before new employees, other than apprentices and trainees, can access the federal unfair dismissals remedy. Our policy adopted in 1997 would have seen up to 50,000 new jobs.

It is all right for the honourable member for Shortland to come into the chamber and huff and puff and talk on about this government not being sympathetic to small business, but every time she and her colleagues are given the opportunity to vote down our unfair dismissals law changes they do not hesitate to do so. So it is the ALP that is the enemy of small business, and the ALP stands condemned. I suspect that the ALP shortly will be given yet another opportunity to vote for small business—and hopefully, on this occasion, they will support the government’s legislation with respect to the unfair dismissals changes.

Other members opposite saw fit to make a contribution. The honourable member for Newcastle criticised the government for its failure to accept a national uniform tenancy code. I just want to assure the House that retail tenancy issues are the responsibility of state and territory governments, and this has been agreed with the states. Also, the drawdown of the unconscionable conduct provisions that will be made possible by this bill will assist these states and territories to make their laws even more effective.

The member for Hunter pressed that he had a concern about the delay in the introduction of the unconscionable conduct savings provisions that would allow the states to draw down the Commonwealth law. The fact is that most instances of unconscionable conduct in business transactions are already covered by the Trade Practices Act. Serious and systemic breaches of the law can be taken up by the Australian Competition and Consumer Commission and, therefore, there was no pressing need to empower the states to draw down the Commonwealth unconscionability provisions.

The honourable member for Eden-Monaro, in a very positive contribution to this debate, stressed that the retail grocery industry code of conduct will be a bonus for all in the industry. Those opposite criticising the fact that we do not have a mandatory code should listen to the words of the honourable member for Eden-Monaro.

The honourable member for Cook has praised the government’s response to the committee’s report. He said that it had been very good. He said that recommendations have for the most part been accepted. The member for Cook, of course, was the chairman of the committee. So if the chairman of the committee comes forward effectively on behalf of the committee praising the government’s response then it is obvious that those people opposite who are criticising where the government stands are indeed, playing cheap and spiteful party politics.

The honourable member for Petrie stressed that the bill benefits both small business and consumers—and that is one of the points being emphasised by the government. The bill helps small business by increasing the transaction limits for the unconscionable conduct provisions of the Trade Practices Act from $1 million to $3 million. It allows representative actions to be taken by the ACCC on behalf of small business for contraventions of part IV, and it allows for the recovery of damages in the event of unconscionable conduct.

The government is very proud of this legislation currently before the chamber. We believe that the member for Hunter is not serious about the amendment he has moved. We certainly are not prepared in any way, shape or form to accept the amendment moved by that honourable member.

The amendments contained in the bill are significant law reforms but in some cases codify existing practices. The merger guidelines of the ACCC, referred to in the explanatory memorandum, simply summarise the court’s findings to date on market definition and are not subordinate legislation. When enacted, the bill will ensure that the enforcement and remedy provisions of the Trade Practices Act remain relevant in Australia’s economic and social environment. The amendments are designed to improve the access to legal remedies where the law
has been broken, ensuring the act’s mechanisms for creating a competitive and fair marketplace work more effectively and thereby enhance the welfare of all Australians. On behalf of the government, I want to give a commitment: we are determined to ensure that the Trade Practices Act continues to deliver appropriate protection to Australian small business and consumers, while ensuring fair outcomes in the marketplace.

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

Amendment negatived.

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 Slipper) read a third time.

COMMITTEES

Selection Committee

Report

Mr NEHL (Cowper) (8.02 p.m.)—I present the report of the Selection Committee relating to the consideration of committee and delegation reports and private members business on Monday, 4 December 2000. The report will be printed in today’s Hansard and the items accorded priority for debate will be published in the Notice Paper for the next sitting.

The report read as follows—

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

Pursuant to standing order 331, the Selection Committee has determined the order of precedence and times to be allotted for consideration of committee and delegation reports and private Members’ business on Monday, 4 December 2000. The order of precedence and the allotments of time determined by the Committee are shown in the list.

COMMITTEE AND DELEGATION REPORTS

Presentation and statements


The Committee determined that statements on the report may be made — all statements to conclude by 12.35 p.m.

Speech time limits —

First Member speaking — 1 minute.

Other Members — 4 minutes each.

[Proposed Members speaking = 1 x 1 min, 1 x 4 mins]


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

Speech time limits —

Each Member — 5 minutes.

[Proposed Members speaking = 3 x 5 mins]

3 LEGAL AND CONSTITUTIONAL AFFAIRS—STANDING COMMITTEE: Cracking down on copycats: Enforcement of copyright in Australia.

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

Speech time limits —

Each Member — 5 minutes.

[Proposed Members speaking = 2 x 5 mins]


The Committee determined that statements on the report may be made — all statements to conclude by 1.15 p.m.

Speech time limits —

First Member speaking — 10 minutes.

Other Members — 5 minutes each.

[Proposed Members speaking = 1 x 10 mins, 1 x 5 mins]

PRIVATE MEMBERS’ BUSINESS

Order of precedence

Notices

1 MR WILKIE to move:
That this House:

(1) congratulates Iran regarding the completion of acknowledged democratic elections and the work of the new Majlis;

(2) nevertheless regrets that Iran’s reputation continues to be marred by questions of human rights and denial of religious freedom, most particularly the persecution of Baha’is and the renewal of the death sentences of Mr Hedayat Kashefi Najafabadi and Mr Sirus ZabihMoghaddam, and the inception of another against Mr Manuchehr Khulusi;

(3) furthermore notes the persistent gaoling of numerous Baha’is for their religious beliefs and widespread discrimination in property, education, employment, civil and political rights;

(4) acknowledges grave concern for the fate of 13 members of the Jewish community presently in custody in Iranian prisons and facing charges of espionage; and

(5) urges Australia’s continued vigilance and activity regarding human rights issues in Iran. (Notice given 28 August 2000.)

Time allotted — private Members’ business time prior to 1.45 p.m.

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

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

2 MR PYNE to move:

That this House:

(1) expresses its dismay at the ongoing violence and incitement to violence in the Middle East and calls on both sides to immediately stop all violent acts and for the restoration of calm to the region;

(2) takes note of the far-reaching and courageous proposals made by Israel’s Prime Minister, Ehud Barak, at Camp David and its disappointment that this historic opportunity was not successfully seized by all parties to the peace process;

(3) calls on all partners to resume negotiations without the threat of violence and without the premature announcement of unilateral declarations;

(4) expresses its grief for the innocent lives lost on both sides and condemns the unacceptable inclusion of children in violent activities on the front line and expresses the hope that violence will be stopped in accordance with the Sharm el-Sheik agreement;

(5) hopes that the conflict will be resolved in the framework of agreement and compromise;

(6) calls on the leadership of the Israeli and Palestinian people to restore trust and confidence in order to pave the way for the resumption of peace negotiations;

(7) calls on all countries surrounding the conflict between Israel and the Palestinian territories to ensure their sovereign territory not be used to promote aggression into an already turbulent area; and

(8) believes that peaceful coexistence is the only option for both Israelis and Palestinians now and into the future. (Notice given 30 October 2000.)

Time allotted — 30 minutes.

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

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

3 MR SIDEBOTTOM to move:

That this House:

(1) recognises the extraordinary deeds of Ordinary Seaman Teddy Sheean and his crew mates upon the sinking of HMAS Armidale on 1 December 1942 off the Timor coast;

(2) implores the Government to award a posthumous Victoria Cross of Australia to Ordinary Seaman Teddy Sheean to properly recognise his courageous deeds on 1 December 1942; and

(3) encourages the Government to establish a mechanism to address outstanding issues and anomalies in the military honours system such as recognising the courageous deeds of people such as Ordinary Seaman Teddy Sheean on 1 December 1942. (Notice given 9 November 2000.)

Time allotted — remaining private Members’ business time.

Speech time limits —
Mover of motion — 10 minutes.
First Government Member speaking — 10 minutes.
Tuesday, 28 November 2000

Other Members — 5 minutes each.

[Proposed Members speaking = 2 x 10 mins, 2 x 5 mins]

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

**ASSENT TO BILLS**

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

National Crime Authority Amendment Bill 2000

**FUEL QUALITY STANDARDS BILL 2000**

Consideration resumed from 9 November.

Second Reading

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (8.03 p.m.)—I move:

That the bill be now read a second time.

The Fuel Quality Standards Bill 2000 is the first step in implementing quality standards for fuel supplied in Australia. The bill establishes the framework for setting national standards. The second step will be the progressive setting of standards for a range of fuels that are used in Australia. The first standards, for petrol and automotive diesel, will be on the books shortly after this bill is enacted.

This is important legislation for Australia. The enactment of the Fuel Quality Standards Bill 2000 will permit the first mandatory, national fuel quality standards for the country. Standards do exist already. However, they are not mandatory or seriously monitored and, in the case of petrol, they have not been reviewed in 10 years. If Australia is to reap the environmental benefits of evolving emission control and fuel efficiency technologies, fuel standards need to keep pace with vehicle standards.

This legislation arose from commitments which were made by the Prime Minister as part of the Measures for a Better Environment component of the new tax system. In May 1999, the Prime Minister announced a package of incentives to encourage the switch to lower sulfur diesel fuels, and to facilitate the harmonisation of diesel vehicle emission standards with international standards. The package also included a commitment to bring forward the introduction of new petrol vehicle standards. Changes to petrol standards would also be needed, to support new engine technology.

Changes to fuel quality to support new emission standards are only a part of the story, however. The Commonwealth commissioned a review of the fuel quality requirements for Australian transport to assess the benefits to be gained by introducing fuel quality standards. The Fuel Quality Review took a number of fuel quality scenarios and modelled the changes in emissions of pollutants, air toxics and greenhouse gases from 2000 to 2010 and 2020.

In short, the review found that the combined effect of cleaner fuel and the progressive tightening of vehicle emission standards would produce dramatic reductions in emissions of pollutants and air toxics from vehicles, over time.

This legislation does not take Australia out on a limb. Australia’s move towards higher quality fuel is part of a global push for cleaner, more efficient transport. The findings of the Fuel Quality Review only reinforced the government’s commitment to achieve Prime Minister John Howard’s goal of harmonisation of Australian vehicle emission standards with international standards by 2006.

It is pleasing to be able to say that Australia has relatively good air quality on average, even in our major cities. This is, however, no reason for complacency. We have episodes where levels of pollutants in the major eastern cities and Perth exceed pollutant levels in London, Toronto and similar cities. If we are to meet the air quality standards specified in the national environment protection measure for ambient air quality, particularly the ozone standard, we need to address motor vehicle emissions.

The fuel quality standards legislation is also intended to assist with the abatement of Australia’s greenhouse gas emissions. It is now widely recognised that greenhouse gas emissions cause global warming, with serious long-term and worldwide implications for urban and rural infrastructure, health,
land management and agriculture. Under the Kyoto protocol, the government has a target of limiting Australian greenhouse emissions to eight per cent above 1990 levels by 2008-2012—this represents a 30 per cent reduction from current business-as-usual projections for 2008-2012. By 1998, the transport sector was responsible for about 16 per cent—that is, 72.6 million tonnes—of total greenhouse gas emissions, of which about 89 per cent of emissions were from road transport. Projections indicate that, without significant and sustained abatement measures, transport emissions will increase by 50 per cent—to 110 million tonnes—of 1990 levels by 2015. This is of serious concern to the government.

Although the task of reducing greenhouse emissions from road transport is difficult, particularly in view of Australia’s high dependence on motor vehicle transport, it is one that the government is tackling through a package of strategic measures. One element of our approach is to improve the fuel efficiency of motor vehicles. The fuel quality standards legislation will pave the way for ensuring the provision nationwide of cleaner fuels that not only reduce air pollution but also help reduce greenhouse gas emissions from motor vehicles. Legislated fuel quality enhancements, such as higher octane and lower sulfur content, will provide the certainty required for the deployment of advanced engine and vehicle technologies by automotive manufacturers and their uptake by consumers. Advanced engine technologies will result in improved fuel consumption, which in turn will translate to greenhouse benefits. The fuel quality standards legislation will help realise the maximum potential greenhouse benefit from fuel use in vehicles by complementing fuel quality and vehicle technology.

Further, this bill provides the framework for determining the fuel specifications of alternative and renewable fuels, thereby paving the way for these fuels to take a bigger share of the transport task in the future.

Alternative transport fuels, or fuels beyond the traditional petrol and diesel, are a major priority for this government. This is reflected in the Renewable Energy Action Agenda launched in June this year, which includes an initiative to promote the development of the renewable transport fuel industry. In recognition of the important role that alternative and renewable transport fuels will play in minimising the greenhouse impacts of the transport sector, this government has provided unprecedented funding for the uptake of these fuels. The Measures for a Better Environment statement provided $75 million for the Alternative Fuel Conversion Program over four years and $9 million for alternative fuels under the Diesel and Alternative Fuel Grants Scheme in 2000-01, increasing to $12 million in 2001-02.

The focus of fuel quality initiatives needs to be broadened to cater for the changes occurring in fuel use. While we are promoting alternative transport fuels for the benefits they have in terms of the common pollutant and greenhouse emissions, we do not want to create alternative pollution problems. This legislation provides a robust framework on which future fuels—whatever their properties, source or mix—can be regulated in a manner that promotes vehicle safety and performance and benefits the environment.

While the main driver for the legislation is to achieve improvements in air quality by reducing pollution from motor vehicle use, the legislation will also enable the Commonwealth to achieve a number of other objectives.

The objects of the bill spell out the intention to enable the effective operation of engines. During the public consultations on setting petrol and diesel fuel standards, stakeholders have repeatedly called for standards to ensure that fuel sold in Australia is safe and suitable for vehicles.

Following the finalisation of petrol and diesel standards with an ‘environmental’ focus, the next priority will be to include standards relating to the operability of vehicles using these fuels.

The Fuel Quality Standards Bill 2000 is not intended to address consumer protection as such, although it does include substantial penalty provisions. For example:

- The bill creates two fault element offences, punishable by up to 1,000 penalty units for an individual and 5,000
penalty units for a corporation, for the supply of fuel that does not meet a relevant standard under the act;

- The bill creates a fault element offence prohibiting the alteration of fuel covered by a standard. This carries a maximum penalty of 1,000 penalty units for an individual and 5,000 penalty units for a corporation;

- The bill creates two fault element offences concerning the supply and importation of prohibited fuel additives. These carry a maximum penalty of 500 penalty units for an individual and 2,500 penalty units for a corporation; and

- A failure to provide documentation certification that fuel being on-supplied complies with relevant fuel standards carries a maximum penalty of 60 penalty units for an individual and 300 penalty units for a corporation.

These offences and significant penalties are consistent with the Commonwealth criminal law policy and are entirely justified by the adverse effects of motor vehicle emissions on urban air quality, human health and enhanced greenhouse effect.

Most recent cases of large-scale fuel adulteration have been about excise evasion or cost cutting, and there is legislation in place to address tax evasion. The fuel quality standards legislation will, when it commences, provide an additional means to address deliberate or reckless supply of fuel that does not meet the standards.

Clearly the Commonwealth legislation is limited in scope. Constitutionally, the Commonwealth has no direct control of fuels. The focus of this legislation is therefore on corporations who supply fuel in Australia, whether importers or producers. This will capture the bulk of fuel sold in Australia.

Our next step will be to work with the states and territories. The national standards will provide a benchmark for fuel quality, a starting point from which state consumer protection agencies can work. The Commonwealth will continue to involve the states in the development of fuel standards with a view to achieving a seamless national regime.

Vehicle manufacturers and refineries have been generally enthusiastic about creating single, uniform national standards. They have legitimate concerns about the potential compliance costs if different standards proliferate in the absence of national fuel standards.

Some states have, or are in the process of developing, state regulations for petrol and diesel. This is a positive step and has benefits as an interim measure leading up to the commencement of the Commonwealth standards. The vehicle and fuel markets are, however, essentially national. There should be no uncertainty about when a standard applies. It is also irrational for refineries to produce differently for different states unless there is a strong justification.

The bill is therefore intended to override a state standard on the same matter. The Commonwealth recognises that there may be circumstances in which a more stringent standard is desirable for a particular area. For example, elevated levels of a particular pollutant which threaten environmental or health quality may be best addressed through a stricter fuel standard. The process for setting such an area specific standard must, however, be objective and transparent. The bill provides for this by permitting standards to apply differentially, provided they do not breach the Australian Constitution by discriminating in favour of a region or impeding interstate trade. Under the bill, the minister responsible would be required to publish guidelines to be followed in making such a standard.

The bill creates a consultative committee made up of representatives of each state and territory, the Commonwealth and fuel industry, environment and consumer representatives. The minister may add further members as there is a need, for example to cover the interests linked to a type of fuel being regulated.

The committee will advise the minister before he or she creates a standard. This mechanism will ensure that the minister has available to him/her the views of the major stakeholders.
This committee will also provide advice when the minister:

- makes a decision to grant an approval to supply non-compliant fuel (section 13);
- considers whether to list a fuel additive on the Register of Prohibited Fuel Additives, or remove a fuel from the register (section 35(2)); or
- prepares guidelines in relation to application of the provision which permits more stringent standards (section 22).

The Fuel Quality Standards Bill has been drafted with the intention of providing the flexibility necessary to address fuel quality issues arising in relation to any fuel supplied in Australia, for any use. Fuels used in road transport are the obvious initial target because of the significant role that vehicle emissions play as a source of pollution and the increasing concern that fuels are available which do not meet the operational requirements of vehicles. The legislation has the potential, however, to be used to manage the environmental, health or performance characteristics of fuels used for domestic, marine, industrial or other purposes.

This will be the first national legislation designed to make fuel suppliers legally responsible for the quality of fuel that they provide.

The new fuels legislation should not be considered as a measure being taken in isolation from the government’s industry policy objectives as they relate to the refining sector. Rather, it provides a mechanism for continuing the move to cleaner fuels that the industry itself recognises as necessary and to which it has ready begun to contribute.

The Downstream Petroleum Products Action Agenda launched last November by Senator Minchin has as its vision a strong and efficient refining industry that is environmentally responsible and supplies the majority of the nation’s refined petroleum product needs. This legislation is consistent with that vision.

In the process of delivering Australians cleaner fuels it is important, however, to ensure that the refining sector is provided with sufficient options to restructure their activities. The provision of flexibility in the transition to mandated fuel standards is therefore being given careful consideration in the standard setting consultative process currently under way for petrol and automotive diesel.

The government wants to have a local refining industry that can supply high quality, clean fuels to Australia at the lowest possible cost.

**Conclusion**

Passage of the Fuel Quality Standards Bill 2000 will play a significant role in giving effect to the government’s commitment to improve the environmental and greenhouse performance of the transport sector.

The bill will allow the Commonwealth to set the benchmark for fuel quality in Australia, and provide national leadership as fuel quality issues emerge.

Passage of the bill will also remove uncertainty, equity and trade concerns that may arise from different fuel standards applying in different states.

I present the explanatory memorandum to this bill.

**Mr KELVIN THOMSON (Wills) (8.18 p.m.)—** I rise to speak to the Fuel Quality Standards Bill 2000, which provides the framework to create national mandatory quality standards for fuels and the ability to enforce them. This bill originated in the Senate. Labor successfully moved a number of amendments in the Senate designed to improve the legislation. For the benefit of the House I will discuss in some detail some of those amendments in due course. I also move:

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

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

(1) turning its back on commitments made in 1997 to protect consumers from dangerous fuel substitution;

(2) allowing millions of dollars of excise revenue to be lost because of inadequate policing of fuel standards; and

(3) rejecting calls by Eastern Seaboard states to better police fuel standards”.

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

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

(1) turning its back on commitments made in 1997 to protect consumers from dangerous fuel substitution;

(2) allowing millions of dollars of excise revenue to be lost because of inadequate policing of fuel standards; and

(3) rejecting calls by Eastern Seaboard states to better police fuel standards”.
This second reading amendment deals with an issue that I believe to be very important—fuel substitution. Improving transport fuel quality on a national basis will assist with better engine efficiency. The main object of this measure is to reduce air pollution. Vehicles are estimated to account for up to 70 per cent of total urban air pollution. Cleaner fuel, together with tighter vehicle emission standards, should result in significant reductions in emissions of pollutants and air toxins from vehicles over time.

Urban air pollution is one of the most serious environmental issues in urban areas. It has significant implications for the health of the nation. Pneumonia, loss of lung function, asthma and other respiratory problems, heart disease and lung cancer—these are all health risks associated with urban air pollution. As a largely urbanised nation, Australia generally experiences about the same levels of air pollution as would be expected for a developed country. However, as measured against World Health Organisation and national guidelines for ambient air quality, air pollution in Australia often exceeds such desirable levels. The recently launched document titled *Natural advantage: a blueprint for a sustainable Australia* had this to say about the issue:

> Although the air quality in Australian cities improved between the 1980s and mid 1990s, urban air pollution remains at unacceptably high levels. Furthermore, air quality is set to deteriorate again unless new measures are found to combat the extra 50,000-200,000 motor vehicles that are being added to our roads each year.

Clearly, considerable effort is required of Commonwealth and state governments to ensure that air quality continues to improve. At the forefront of this effort must be a commitment by governments to bring Australian air quality and emission standards into line with the best in the world. Only then can Australians start to breathe easy.

Diesel exhaust is held responsible for lodging very fine airborne particles in the lungs of city dwellers. On days when particulates are known to be at a high level, there is a recorded increase in mortality rates. More specifically, long- and short-term exposure to ultrafine particles from diesel exhaust is associated with increased deaths from heart and lung disease. Diesel vehicles are believed to contribute about four-fifths of all vehicle sourced fine airborne particles in cities. In 1998 the California Air Resources Board proposed that diesel exhaust be declared a toxic substance. So this is a serious health issue, and it is an issue which is of concern to many Australians. Public opinion surveys consistently show that air pollution is the number one environmental issue of concern to urban Australians.

The Australian Labor Party supports the introduction of national standards and the objectives of the bill. The main objective, as the Parliamentary Secretary to the Minister for the Environment and Heritage has indicated, is to regulate the quality of fuel supplied in Australia, in order to reduce pollutants and emissions arising from the use of fuel that may cause environmental and health problems; to facilitate the adoption of better engine and pollution control technologies; and to allow the more effective operation of engines. Although fuel quality standards currently exist, they are inconsistent between states and they are not mandatory, nor are they seriously monitored. In the case of petrol, they have not been reviewed for the past 10 years.

New vehicle emission standards, harmonising Australian standards with international vehicle emission standards, were gazetted in December of last year. However, the quality of fuel has been a key constraint to the introduction of vehicle emission standards, as the emerging technologies are affected by the quality of the fuel. Although the actual standards are set out in regulations under the act, Labor supports the structure outlined in the legislation to enable the federal government to establish standards nationally.

We support the provisions in the bill which create offences relating to the supply
of fuel which does not comply with the standards made under the act; we support the creation of offences concerning the alteration of fuel which is subject to a fuel standard; and we support the creation of offences concerning the supply or importation of a fuel additive that is entered in the Register of Prohibited Fuel Additives. We also support the measures which set out an enforcement regime for the purpose of monitoring compliance and to enable the prosecution of offences under the act. We support setting out record keeping and reporting obligations on fuel suppliers and importers, and we also support provisions which allow for review of decisions under the act and review of the operation of the act.

Standards are to be determined by the Minister for the Environment and Heritage after a process including consultation with stakeholders from the Commonwealth, states, territories, industry, environment and consumer protection areas. I understand that the consultation process is already well under way for standards for petrol and automotive diesel, which we are informed will be in place shortly after the bill is enacted. We further understand that the government's intention is to progressively set standards for a range of fuels. The minister will also be able to grant an approval to exempt a person from compliance with a fuel standard or vary a fuel standard in respect of fuel supplied by a person. This is to provide some flexibility for special events, such as car rallies, or special applications—in Antarctica, for example.

The Labor Party has a concern that this provision provides excessive discretion for the minister and could lead to an uneven playing field in industry. As a result, we moved amendments in the Senate which were successful and which have addressed our concern. These powers relate also to concerns which I have had expressed to me by BP. They have written concerning exemptions in the bill, and their concerns directly relate to the attempt by Exxon Mobil to introduce Cleanerburn into the Australian marketplace. They have registered the following concerns: that there has been an apparent lack of due diligence in considering this alternative; that, if the exemption is used, there will be no opportunity for public review of its supposed benefits; and that its classification as an additive would appear to be a last-minute decision. I hope that the amendments which Labor has moved will go some way towards addressing this issue.

Further, the bill made no provision in its original form for consultation with the Fuel Standards Consultative Committee or for public consultation on the issue of variations and exemptions. There was no provision for the reasons for such decisions to be made public, and no limits on the duration of such an exemption. Where an exemption was given rather than a variation on a standard, there was effectively no standard whatsoever imposed on that person. As a result of these issues, Labor successfully moved amendments in the Senate which limited such an approval to a variation of standard rather than a complete exemption from the standard; limited the time for which such an approval remained valid; required consultation with the Fuel Standards Consultative Committee; required the consultative committee to recommend a time limit on the approval; and required public disclosure of the reasons for such an exemption.

The Register Of Prohibited Fuel Additives is kept by the Minister for the Environment and Heritage, and substances can be listed by the minister. Although the minister is currently required to consult the consultative committee in determined standards, he does not have to do that for listing prohibited fuel additives. So Labor also successfully moved an amendment in the Senate to require the minister to consult the consultative committee in granting approvals for exemptions and listing prohibited fuel additives.

Some states have already regulated standards which are more stringent than the proposed Commonwealth standards. The bill allows for differentiated standards in areas where stricter standards might be warranted on the basis of specified criteria—which might relate, for example, to ambient air quality. There is some concern that the provision in the bill to impose stricter standards might be interpreted as 'stricter' in relation to a measure other than that consistent with
the objectives of the bill. A simple amendment would clarify this and ensure that the stricter standard ensured a higher quality of fuel to reduce emissions harmful to the environment and human health.

Although independent criteria are designed to ensure that the provision for stricter standards does not impinge on section 99 of the Constitution, there is a concern that the requirement for the minister not to give preference to one state over another will not allow a state to instigate consideration of stricter standards. It is Labor's understanding that the government will include clarification in this regard in the guidelines, under section 21(2) and 21(3), so that we do not have a state being prevented from raising the issue with the minister where it feels that that is necessary in order to provide for stricter standards.

There is currently a provision in the bill which allows a six-month exemption from consultation with the Fuel Standards Consultative Committee. My understanding is that this is to allow the standards currently under formulation for diesel and petrol to be introduced as soon as possible, as they have already been through a wide ranging consultation process. Although Labor recognises that the exemption is desirable in this case, I note that it would be of some concern if the exemption were to be used to introduce other standards during that time. I understand that this is not the intention of the government and that it was drafted as a six-month exemption for drafting considerations. I further understand that other standards currently under development have budgeted to include consultation with the Fuel Standards Consultative Committee. It is on the understanding that all additional standards will be subject to consultation that Labor will support this exemption.

Labor also moved an amendment to establish standing for an appeal for injunctive relief and for review of decisions to be consistent with standing under the EPBC Act. Although the ability to delegate powers is a standard provision in many acts, given the extent of discretion involved in setting standards and granting approvals it would seem appropriate for the minister to retain the ministerial power in those applications. Labor also moved an amendment to exclude setting standards and granting approvals from the delegation of ministerial powers. This is something that the member for Hunter would strongly approve of, and very sharp he is looking too. Overall Labor supports the objectives of the bill and considers it as a positive step towards greater protection of the environment and human health. Australians deserve to breathe easy, and it is up to the government to introduce standards that allow that to happen.

This bill also deals, although in a somewhat half-baked manner, with the ongoing issue of fuel substitution. On this basis I welcomed the introduction of this bill into the Senate. Labor has consistently supported any measures moved by this government to try to protect consumers from fuel substitution. The government has finally got around to making some of the changes that the Australian Labor Party, the states and fuel producers have been calling for in the wake of the toluene scandal earlier this year. It must be noted that the government has adopted, at least in part, the call by the RACV, the Automobile Association of Australia—the AAA—Liberty Oil and the state governments of Queensland, Victoria and New South Wales for the establishment of standards for fuel.

While we welcome the legislation, we remain sceptical about the willingness of the government to do the necessary level of monitoring. This is especially the case when we find Senator Hill expressly stating that the bill is 'not intended to address consumer protection'. If we go back to 1997, the Liberal-National coalition government claimed to be interested in protecting consumers from the harmful practice of fuel substitution. This is apparently no longer their responsibility. It is an issue that some of the Labor state governments—in New South Wales and Victoria, in particular—have taken up with vigour. Out of a need to protect consumers they have done the work that the federal government should have been doing, if for no other reason than to protect their excise revenue.
It is clear that substantial amounts of potential excise revenue have been lost as a result of fuel substitution, while the federal government has been sitting on its hands. It has been dragged kicking and screaming to do the right thing because of abuses discovered by the state governments of Victoria and New South Wales. In July the state governments of Queensland, Victoria and New South Wales called on the Howard government to introduce fuel standards and proper testing for consumer protection purposes. At the time the federal government rejected this suggestion. Then we had motoring organisations, such as the RACV, and producers, such as Liberty Oil, also calling for a national approach to consumer protection on fuel issues.

This bill is part of the answer—it goes some way towards addressing the problem. It begins to deal with the definitional issues, and those things do help with policing. But while it is doing that, we have the minister publicly stating that consumer protection is not the Commonwealth’s problem. The only conclusion one can draw from this is that, like the issue of the increase in government taxes on petrol as a result of the GST, the government have chosen once again to blame someone else for their problem and their shortcomings. This is deplorable, particularly when we have serious issues at stake in relation to fuel substitution and environment and consumer protection.

Indeed, it was estimated that at least $300 million was lost to the Commonwealth due to the toluene scam. To point out the obvious: if the government had not lost this money, it could have paid for the August 2000 and February 2001 indexation increases in petrol taxes. Imagine that. It would have been much easier for the government to have done its job properly in the first place, then it would have been in a position to look at an excise freeze. If it had been in that position it might have been able to get out of spending the $1.6 billion over four years which it has found it necessary to do in order to try to quell some of the anger from motorists which has emerged in the wake of rising petrol taxes on the back of the GST. The lost money raises the issue of who was responsible for this scam in the first place. The government has effectively already admitted that its 1997 legislation was useless when it came to prosecuting anyone for engaging in fuel substitution. In an attempt to deal with that inadequacy it introduced a bill designed to make prosecution easier. Like this bill that was a good bill, but it came too late. The House would be well aware of the expression ‘cheats never prosper’. But, regrettably, if you are an excise cheat under this government you do prosper—under the very nose of the Taxation Office. The worst that can happen to you is, as far as I can tell, that you get caught with a product for which there is no longer a market.

It has been alleged to me that the company Australian Tanker Lines has been left holding an awful lot of methanol at the VOPAC terminal in Sydney, having purchased it from the company Oberon Timber Processing in Bathurst, which in turn purchased as much as four million litres of methanol from the New Zealand company Methenex. It is further said that, before they got stuck with all this methanol, this company or related companies were able to offload a great deal of this methanol. It was further alleged to me that this company or related companies were major players in the substitution of toluene. I know for a fact that the Taxation Office has been made aware of these matters, but you never hear anything back from the Taxation Office. There is no evidence that they are serious about cracking down on unscrupulous operators, and no evidence of prosecution action. If there is no evidence of any enforce-
ment action and no evidence of any prosecution action, people will continue to try to get away with fuel substitution and excise avoidance. Changing the law is part of the answer, and it is supported by us, but enforcement action is just as important. Unfortunately, after the Taxation Office took over responsibility for fuel substitution issues, took over responsibility for fuel excise from Customs, it dropped the ball, and the inspections that Customs were carrying out simply stopped. That was a very bad thing. It gave the green light to fuel substituters that they could get away with that illegal practice, and many of them engaged in it. One of the endeavours of this bill is a mopping up operation to try to clean up the mess that occurred as a result of substitution involving toluene and other additives on the basis that you could avoid paying the excise.

I mentioned that Labor had been hard at work amending this legislation in the Senate, and in the remaining time available to me I want to return to some of the amendments which we moved and the reasons behind them. I am very pleased to say that the government has accepted our amendments, and therefore there is no disagreement between us concerning the bill; we can support the bill and look forward to its implementation. But I do want to make a few remarks concerning the matters which we successfully amended in the Senate. Amendments Nos 1 to 5 related to what were described as the broad exemption provisions; that is, the minister could grant an approval to exempt a person from compliance with a fuel standard or vary a fuel standard in respect of fuel supplied by a person. We understood that there was some flexibility intended with these provisions, but we were concerned that the provisions provided excessive discretion for the minister. The amendments which we moved required that, when this discretion was being exercised, we limited such an approval to a variation of standard rather than a complete exemption from the standard; that we limited the time for which such an approval remained valid; that we required consultation with the Fuel Standards Consultative Committee; that we required the consultative committee to recommend a time limit on the approval; and that we required public disclosure of the reasons for such an exemption.

We also moved amendments concerning the issue of more stringent standards. We were concerned that the provisions in the bill to impose stricter standards could generate problems, and we therefore moved an amendment to clarify the situation. Although independent criteria are designed to ensure that the provision for stricter standards does not impinge on section 99 of the Constitution, there was a concern that the requirement for the minister not to give preference to one state over another would not allow a state to instigate the consideration of stricter standards. The situation now is that this aspect will be addressed under the guidelines under section 21(2).

We also moved amendments on the issue of the Fuel Standards Consultative Committee. The bill stipulated minimum membership of the committee, but for some categories of representatives, such as the Commonwealth, it allowed for one or more representatives. Relatively minor amendments, which have little or no practical effect, provide equality between the represented groups as set out in the legislation. Labor’s amendments remove the words ‘or more’ from those members of the committee that may have more representatives, in order to establish equal emphasis on the different representative groups. We also required the minister to consult the consultative committee in granting approval for exemption and in listing prohibited fuel additives. We also moved amendments about the issue of legal standing for both injunctive relief and appeals of decisions under the act. Environmental legislation operating since 1979 in New South Wales has had open standing in appeals before the Administrative Appeals Tribunal. There is no evidence that that system has been abused or used vexatiously, so we felt that there was a basis for opening up that issue of standing. We are pleased that the government was prepared to support that amendment also.

We also moved an amendment concerning delegation of ministerial powers. Although the ability to delegate powers is a standard provision, given the extent of discretion in-
volved in setting standards and granting approvals, it would seem appropriate for the minister to retain the ministerial power in those applications. On that basis, our amendment excludes the setting of standards and granting of approvals from the delegation of ministerial powers. As I indicated earlier, those amendments have been accepted by the government and the bill appears here in amended form.

In conclusion, we are supportive of what the government has produced in the Fuel Quality Standards Bill 2000. We think it is a step in the right direction. The amendment I have moved concerning the issue of fuel substitution is designed to make sure that the Commonwealth government and the Australian Taxation Office do not take their eyes off the ball concerning fuel substitution, and that we do not have a repeat of what we have seen in the course of the last couple of years, with the tax office focused on GST to the exclusion of all else, including important issues like making sure that fuel excise is not evaded. The amendment is designed to ensure that those issues get paid proper attention and that the government does use the powers that it has given itself through a variety of pieces of legislation and the standard definition of fuel, which now appears in relation to this legislation, to make sure that we do not have a repeat of those unfortunate occurrences where fuel substituters were allowed to get away with it.

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

**Mr Tanner**—I second the amendment.

**Mr PROSSER (Forrest) (8.48 p.m.)**—I rise to speak in favour of the Fuel Quality Standards Bill 2000. As the House has heard, the bill creates a framework to set standards for the quality of fuel and provides a means by which those standards become enforceable. It has not yet established the standards. Clause 3 states it most succinctly:

> The main object of this Act is to regulate the quality of fuel supplied in Australia in order to:

(a) reduce the level of pollutants and emissions arising from the use of fuel that may cause environmental and health problems; and

(b) facilitate the adoption of better engine technology and emission control technology; and

(c) allow the more effective operation of engines.

I have long argued for some sort of fuel quality standards to improve emissions from vehicles. I made this argument particularly in relation to diesel engines. Some people and some political parties run around saying that diesel engines are bad and highly polluting, but the truth is that some of the diesel engines being imported into Australia are far cleaner than other types of engines. They are imported into Australia to power vehicles that require the extra grunt that only diesel engines can give. This legislation is one of the best planks of the Measures for a Better Environment package and will produce more meaningful outcomes than banning the importation of diesel ever would have.

The responsibility for fuel quality falls within the jurisdiction of the state governments, who have the power to control additives and standards. The federal government has the power to legislate for engine design and emission standards. The point that needs to be noted is that this initiative will only succeed if the states and Commonwealth work together. Clause 9 makes it clear that the bill is not intended to exclude state and territory laws, providing these laws are generally in keeping with the bill. However, when spelt out in the regulations, the bill is intended to override state and territory laws relating to fuel standards.

Clause 6 provides that the bill binds Commonwealth, state and territory governments. However, it also provides that these governments cannot be prosecuted for any offence under the bill. Various state governments have legislated or intend to legislate for various uncoordinated fuel quality standards. While the government has stated that it intends to work with the states and territories for national standards, the bill is being introduced in the absence of a satisfactory agreement between the Commonwealth and the states.

Engine technology in general has moved ahead dramatically over the last decade, primarily in response to the need to meet ever tougher US and European design standards. It is also in response to the need in the market for ever more fuel efficient cars. These
dual objectives are the drive behind the technology, yet in Australia fuel quality standards have not been required to keep pace. This means that we have not been able to harness the environmental benefits that more efficient and cleaner engines will allow. Contrary to popular perception and the belief of the Australian Democrats that diesel engines have been massively polluting, belching noxious gases into the air, the new engine technology in ADR terms is in advance of that required of petrol cars. In fact, ADR standards for diesel engines are roughly equivalent to that of the US 1991 standard. The government in 1997 announced the total phase out of leaded petrol in Australia to be complete by 1 January 2002, a target of improving national average fuel consumption by 15 per cent and the goal of Australia having internationally equivalent emission standards by 2006. The latter is what this bill is mostly about.

Western Australia, my home state, was the first to phase out the use of leaded petrol. This was of course a new year’s resolution and commenced on 1 January this year. I understand that other states either have already done so or have set a deadline to phase out leaded petrol in the near future. This is a very good start. Coinciding with this WA government initiative was a move to lower sulfur diesel. WA is cutting down sulfur from a permissible content of 5,000 parts per million and moving to a lower sulfur content diesel of 500 parts per million. This brings WA into line with Euro 2 standards and is mandatory for supply and use below the 25th parallel. This will be extended, and by 2001 the supply and use of low sulfur diesel will be mandatory in the entirety of Western Australia.

The move to lead replacement fuel in Western Australia was not all plain sailing. I received many calls from people with older vehicles who, having used the new lead replacement fuel, had problems with their vehicles. These included the fouling of spark plugs and problems with starting the car when it was cold. There were too many people with the same problem for it to be a mere coincidence. As a general rule, the people who have older cars that use leaded petrol tend to be those who cannot afford to drive newer cars. This is why the differential rate of excise that Labor introduced between leaded and unleaded petrol, which they claimed was introduced for health reasons, was so appalling. These are the same people who can least afford to fix their cars if there is a problem. I will come back to that differential in the excise rate in just a moment.

At that time my office got in touch with BP. It took an effort to get the public affairs section at BP to return my calls and, when they did, there was a denial that there was a problem and a suggestion that the vehicles just needed normal servicing. Their answer was: after all, if they took leaded petrol, they were bound to be old, weren’t they? But you cannot write off as a coincidence, as they did, half a dozen people in my electorate alone having the same problem with their cars just after the fuel formula had been changed. I wrote to the Minister for Industry, Science and Resources, Senator Nick Minchin, who acknowledged that there had indeed been a problem and that the formula would be changed yet again. Has there been an acknowledgment of this from BP? No way. There has been no apology, and no compensation either.

I thought I would take a look at the web sites of some of the other refineries and I came across the Mobil site. It was an interesting exercise to contrast Mobil’s response when they had a problem with their premium unleaded petrol with that of BP. I noted that, when Mobil had a problem with the formula of premium unleaded and its effect on some luxury vehicles, Mobil offered refunds and to check the engines of cars that had been affected. When BP first went to lead replacement fuel, there was a problem with the formula. They changed the additive twice—proof positive there was a problem. There was never an acknowledgment of this, though, and certainly no offer to replace spark plugs that were fouled or to fix the engine problems that occurred as a result. I think that, whilst it is important to have a national standard, it is also vital to monitor those changing standards and the formulas of fuel and to be mindful of the impact on motorists.
Australia’s motorists trustingly go to the bowser and fill up their cars. We trust that fuel is going to be perfect and we do not give it a second thought. In WA, 95 per cent of our fuel is produced by the BP refinery at Kwinana, so we put our faith in the BP refinery that they will get it right every time. Before the laws relating to lead replacement petrol came into effect, vintage car enthusiasts were concerned about their engines. BP said, ‘Not to worry; it is perfectly safe for vintage engines and their rare and original parts.’ We need to ensure that in future it will be, and we need to enforce that point.

The Australian Democrats believed that the new tax system package presented a threat to Australian air quality and that the diesel fuel rebate could stop the development towards cleaner alternative fuels. I think, however, that the high price of crude on the world markets will of its own accord spur creative energies in finding alternative fuels. The new ADR proposals were enacted in late 1999. The government commissioned Coffey Geosciences Pty Ltd to develop six scenarios for fuel quality requirements over the following years. Engine technologies which meet tough international emission standards such as Euro 4 require a special fuel with very low sulfur content and, in the case of petrol, with a research octane number, RON, at least as high as what is marketed in Australia as premium unleaded fuel, which has a research octane number of 95. Australia adopted a low octane unleaded petrol by international standards for most of its new cars—that of octane 91-92. This was easier for refineries to produce in the absence of lead but, as a consequence, Australian cars do not run at the same efficiency as most European and American cars with the same engines.

Increasing the octane number of Australian petrol will help reduce emissions as well as reduce fuel usage. This in turn is expected to reduce greenhouse gas emissions from the transport industry. It has been strongly argued, however, that as a government we should not opt for the status quo and that more fuel efficient engines of themselves will be a boon for the consumer. For ADRs to move towards international standards in the production of Euro 4 diesel and petrol has been estimated to cost refineries some $185 million in capital costs. Operating expenditure has been calculated to rise by an average of $17 million per refinery per year. Overall, added refinery costs were expected to amount to an additional 1.5c per litre for Euro 4 diesel and 1.1c per litre for Euro 4 petrol. Admittedly, Euro 4 is not scheduled to be in until 2008. But the standards and the effect on the price of petrol are of concern. I am pleased that this bill does not yet set standards and that these will be agreed to in consultation with all interested parties. I urge that motorists—the end consumers—not be forgotten.

The Australian petroleum refining industry is at the coalface in respect of this legislation, and it has certainly been in the public eye of late. The unprecedented level of petrol prices has prompted scrutiny of the major oil and refining companies. In WA, where there has been a fuel inquiry, companies have had to justify their levels of vertical integration and their wholesale and retail rates, including the differentiation between city and country prices. Refineries claim they are already facing stiff competition from imports and also claim they have low levels of profitability. Every now and then, rumours surface that the unprofitability of the Kwinana refinery may see it being scaled back or even closed, yet it supplies 95 per cent of the WA market. Will the reduction of sulfur content in diesel from the present average of 1,300 parts per million to a maximum of 50 parts per million by 2006 present economic and infrastructure problems to refineries? I think all of the cards need to be laid on the table so that consumers do not end up paying the bill later.

BP invested heavily at its Kwinana refinery, spending some $200 million in 1999 to move to low benzene, lead replacement petrol, but it will still need another $100 million to implement changes to meet ultralow sulfur diesel standards. As I mentioned earlier, the ALP introduced a differential in excise of 2c per litre between leaded and unleaded petrol which the minister at the time, Ros Kelly, stated—or at least slated on a whiteboard—was for health reasons. When lead replace-
ment petrol—so named because it does not have lead and therefore attracts a lower rate of excise—was introduced, we did not see a 2c drop at the bowser. BP simply absorbed it, saying that it was more expensive to produce. I will be asking the ACCC to review this situation, as 2c a litre and then some—because the price went up after a while—I think is a bit rich.

The upgrading of fuel octane for new cars from its present octane rate of 91 to 92 per cent to an octane rating of 95 per cent is not a trifling turn of the dial, a flick of a switch or simply a matter of a common extra additive. If we regulate the added octane level, and we cannot add methyl butane for environmental reasons, an overall reduction in petrol volume from a barrel of oil would be expected. If this is the case, costs can be expected to increase. The fuel quality review concluded that none of its scenarios would prevent greenhouse emissions increasing by less than 20 to 27 per cent over the years 2000 to 2010, which puts us above our Kyoto obligations.

As I stated earlier, the bill sets not only a framework but the means by which the framework is enforceable, and the bill provides that the criminal code will apply to offences under this bill. The bill creates an offence for supplying fuel that does not meet the relevant standard under the bill, unless a person holds an exemption or the supply is a result of an order under an emergency law. An offence is also committed if a person holding an approval of an exemption which allows them to supply fuel that varies from the relevant standard does in fact supply fuel that does not comply with the approval variation. Maximum penalties are a fine of $55,000. Theoretically, an offence could be committed even if the person did not actually know the fuel contravened the standard. I hope this will mean that fuel resellers will be more able to hold refiners accountable for the fuel supply.

The minister will be able to grant approvals to persons either to be exempt from a standard or to supply fuel that varies from the standard in a particular way. This will give the legislation some flexibility and can be seen as a positive from that viewpoint. The bill provides that the minister when considering an exemption must have regard to the protection of the environment, the protection of occupational and public health and safety, the interests of consumers and the impact on economic and regional development, as well as other issues the minister may consider relevant. The bill requires that, in supplying fuel, a supplier must provide a statement to the person receiving the fuel confirming whether or not it conforms to the standard. However, this obligation does not apply when the fuel is supplied to an end user—for example, motorists filling their tank at the service station. Again, this is of benefit to the trusting motorist as resellers will be able to hold refiners and distributors to account.

Finally, I want to discuss the Fuel Standards Consultative Committee. The composition of the committee will be at the determination of the minister but will include one representative of each state, the Australian Capital Territory and the Northern Territory; one or more representatives of the Commonwealth; one or more persons representing fuel producers; one person representing a non-government body with an interest in protecting the environment; and one person representing the interests of consumers. I would urge the minister to ensure that the consumer is adequately represented. I would further urge him to think twice before he automatically assumes that the motoring organisations are an adequate representative of consumers’ interests. My view is that we do a great disservice to consumers by assuming that motoring organisations represent them. I have found that they often have their own agendas to run. The bill does not prescribe the specific functions of the committee but will be consulted before they make any determination on fuel standards, including any variations in standards. I think this is a landmark bill. However, the regulations will of course flesh out the direction in which we head as a nation. I am sure there are a lot more negotiations to be had with the states before we settle on a final course. I commend the minister for this initiative and I commend the bill to the House.
Mr HORNE (Paterson) (9.06 p.m.)—I rise to support the second reading amendment to the Fuel Quality Standards Bill 2000. I think it is interesting in a week when the Prime Minister has stood up in this House and spoke about the third successive year of floods in the north-west of New South Wales and in a week when the Minister for the Environment and Heritage has walked out of a COP6 conference at The Hague in Holland because we could not get our way regarding greenhouse gas emissions that we should be debating this legislation here. This legislation is a capitulation of this government to the fossil fuel industry. While we will support this legislation because it is a move forward, in no way does it represent the sort of move that we should be making. It does not support consumers. It gives them no protection at all; it gives protection to the fossil fuel industry, as I said. It does no justice to the way Australia should be looking, particularly as we move into an environment where we will become increasingly dependent on imported fuels.

The shame of this is that we have the ability and the technology to break free of the harness of fossil fuels and the oil cartels. But this legislation will bind us to them. Essentially, this legislation has been introduced because the government probably feels that it is being robbed of a bit of excise. There is a fuel substitution racket going on with the addition of materials to liquid petroleums that are used on which no excise has been paid. That substitution racket has been going on for a long time. Benzene, xylene and toluene are used by the fossil fuel industry to increase the octane number and so produce that extra grunt when you put your foot on the accelerator and allow for the quicker burning of fuel in the traditional motor car. That is why they are used. The shame of it is that they are all known carcinogens. The atmospheric pollution that is caused by the use of these fuels is certainly not beneficial to the people who live in this country. This legislation is not doing any Australian any good at all when you consider that it is essentially legalising the use of those substances. I guess it was always legal, but this legislation does not change that.

Also when we look at the effect of greenhouse gas emissions and the fact that we have a government that went to Kyoto in 1998 and argued that our greenhouse gas emissions should be allowed to be increased, I suppose this legislation is in keeping with that type of government. It is not satisfactory when you consider that the ambient temperature of the earth has increased continually for about 400,000 years and the carbon dioxide content of the atmosphere has increased by about 30 per cent in that period of time. Of course we are not going to arrest that. We are not going to turn it around. We are not going to improve the condition with this legislation; we are going to allow the status quo to be maintained, and we are going to ensure that the government has the opportunity to collect a little more excise. That is entirely what this is all about. That is the misfortune.

When this government came to power in 1996 it had an opportunity to take a great step forward. This allows me to get on my hobbyhorse—and I know I bore many people with this. We have here in Australia a leading scientist who is capable of producing ethanol by a process which his company has a world patent on. He is able to blend ethanol with diesel. He is able to blend ethanol with petrol. It has the same effect of lifting the octane number, yet at the same time it reduces greenhouse gas emissions. I believe that is the sort of thing this government could have done. But in the very first budget the Howard-Fischer government—it is now the Howard-Anderson government—brought down in 1996, the Treasurer, the Hon. Peter Costello, removed the bounty that had been placed on new generation ethanol. That is why we have to look at legislation such as this today. If we had moved down the ethanol path, not only would we have had the oxygenators that are needed in liquid petroleum to lift the octane number but also we would have been reducing our greenhouse gas emissions, we would have been moving towards self-sufficiency in liquid petroleum requirements, we would have been reducing our dependence on the oil cartels, and eventually we would have been reducing our dependence on imported oil requirements. That is why I say this legislation is wrong. It is
wrong because it does not go far enough. It does not take that quantum step forward to a higher level of technology that is available and that Australia could produce. We have produced it; we have the technology, and we have the scientists.

While the opposition supports this legislation, we will try to amend it to tell the government to move further and faster. I wonder whether any government member has considered the fact that we have had three years of abnormally wet weather in the north-west of New South Wales and has related that to this legislation. Do they simply think that was the result of an unusual meteorological phenomenon? I am reminded of the farmer who says, ‘I have had only one average year in the last 20 years,’ but maybe 19 of them were average and one year was abnormally wet. After three consecutive wet years, we must ask whether there has been a change in the atmosphere and question what is causing it.

We know that we are burning increasing amounts of fossil fuel, particularly the liquid variety that our road transport system uses. What studies are being conducted into the effect of vehicle greenhouse gas emissions on our weather patterns? Records have been kept—and can be established by scientific means—detailing the increasing levels of carbon dioxide in the atmosphere. How do those findings correlate with the increased use of fuels as civilisation advanced to an industrial environment? Are the levels accelerating? These are the sorts of questions that we should be asking and that government should be researching.

I am reminded of what the honourable member for Forrest said as he gave the government a self-congratulatory pat on the back—as though this legislation were the ultimate. It is not: this legislation is only a start. I would like the government to commit this nation to moving forward quickly in the area of fuel technology. The one thing that is known about environmental change is that, while it is slow in human time, the process is very difficult to turn around once it has started. It cannot be done in the span of a human lifetime. If that means that six or seven out of every 10 years will be flood years in the north-west of New South Wales, land use patterns will certainly change. Will the government then say, ‘Well, perhaps this is related to fuel usage and environmental pollution?’ I believe they are the questions that we should be asking. The government should not simply produce legislation to ensure that it gets every bit of excise that it is due.

I know that other honourable members wish to speak in this debate. I wanted to make a contribution because I believe the use of fuels and fuel technology will become increasingly important to the world, particularly in the next decade and particularly in this country. This country has about four or five years worth of known liquid petroleum reserves that we are currently exploiting. If we expand these reserves to include known reserves that we are not currently exploiting, they will span 12 to 14 years. But, at the end of that time, we will have to look to alternative fuels and at reducing greenhouse gas emissions. Now is the time to do that.

I think of the discussion that has taken place in this House and in the media in the past 24 or 48 hours about the government’s self-congratulatory policy of building more roads. I live in the country and I have been involved in regional local government so I know how important roads are. However, we need to look at, and invest in, alternative fuel technology. I believe government has a responsibility to take the lead in developing alternative fuels. It must do that, but I do not believe this piece of legislation will achieve that aim. This legislation allows the government to sit back and say, ‘Well done.’ I do not know how many years it will be before the government introduces another piece of legislation dealing with fuel technology and the use of fuels. I sincerely hope it will not be long because, if we continue to consume our natural fuel resources at the current rate, they will become scarce very quickly.

That is my contribution to this debate. I remind government members, and particularly the minister, that Australia has great scientists. Australia has the ability to create an alternative to fossil fuels and to reduce our greenhouse gas emissions. Australia should be looking to ensure that we become
self-sufficient in our energy requirements. I am reminded of the argument about the use of natural gas and LP gas. I am aware that in the other place it has been theorised that the use of those gases is environmentally friendly. Nothing could be further from the truth; they are also fossil fuels that emit carbon dioxide. If we compare the energy output with the volume of gases burnt, I think we would find that the volume of carbon dioxide per kilometre produced by such a vehicle is much the same as that produced by vehicles using petrol or diesel. They are the sorts of issues that we need to challenge and that the government should be examining. If we are concerned about securing a future for our country and for our kids, they are the sorts of problems that we should be trying to solve instead of simply ensuring that the government gets its maximum excise hand-out.

As I have said, I support the amendment. I support it because I believe it is right. I give the government a slap on the wrist because I believe that it is not concerned about consumers in this piece of legislation, despite the fact that, in 1997, the coalition government claimed that it would be protecting consumers from the harmful practice of fuel substitution. That has not happened. This piece of legislation is certainly not doing that. I call on the government to change its attitude. Let us think outside the square for a change, let us rid ourselves of the control of our energy usage by the oil cartel and let us put Australia on the map as a progressive energy using community.

Mr LIEBERMAN (Indi) (9.23 p.m.)—I support the Fuel Quality Standards Bill 2000 and commend the Minister for the Environment and Heritage and the government for introducing this legislation. The objects of the bill are supportable and I believe have the community’s support as well. They aim to regulate the quality of fuel consumed in Australia in order to achieve important objectives: to reduce pollutants and emissions arising from the use of fuel that may cause environmental, greenhouse and health problems, to facilitate the adoption of better engine and emission control technologies and to allow the more effective operation of engines used in Australia, particularly in motor transport.

The bill requires the authority to implement national quality standards for fuels. The federal government in 1999 made a number of very firm promises and commitments to the Australian community to improve the quality of fuel and diesel fuels available in Australia. Part of the government’s new tax system was Measures for a Better Environment, linked with the tax reform. This legislation will allow those commitments to be implemented and will provide the framework for the regulation of the quality of other types of fuel in the future in this country.

The Minister for the Environment and Heritage will have power to determine, in writing, that specific matters constitute a fuel standard in respect of a specified kind of fuel. In the first instance, the Commonwealth is to establish standards prescribing a range of characteristics of petrol and diesel fuel. A number of the standards will be specifically designed to reduce vehicle emissions—and I believe that the community will applaud that. Further standards will provide for aspects of fuel quality that affect vehicle operation. The bill will set out the means or the processes that the minister will follow to effectively determine the standards that I have referred to. There will be extensive consultation. The Fuel Standards Consultative Committee will be established under the bill. Determinations in the first instance, however, can be implemented in order that the basis and foundation of the legislation necessary to fulfil the objectives are initiated. They, of course, already have been the subject of extensive consultation.

We know that an increasing number of substances are used as fuel additives, largely without assessment of health and environmental impacts, including the impact on emission control equipment. The Register of Prohibited Fuel Additives, which is established in this bill, is to be kept by the Minister for the Environment and Heritage. The minister may list an additive, following a notification process that is set out in the bill. Under the bill, the minister is also required by the parliament to develop and publish guidelines that he or she then must have re-
gard to when deciding to list or de-list a fuel additive on the register. These guidelines will be subject to parliamentary scrutiny and will be disallowable as instruments. The legislation will require extensive monitoring. I understand that an estimated cost in the order of $1 million per year will be involved for petrol and diesel monitoring, with similar costs likely to arise for other fuels.

The legislation is clearly very important. It is an initiative of the Howard government. I did regret very much hearing the observations made by the previous opposition speaker. Once again, I have to wonder how speakers from the opposition can make speeches such as the one we just heard when one reflects that for 13 years of continuous government by the Labor Party in this Commonwealth these vital issues were not tackled. So I find it a little cynical to see and hear members make such observations; I guess they are told to do so by their party and the whip. It is seen by the modern Labor Party to be the nature of opposition to do this. Quite frankly, I think it does them no credit and I do not think the community appreciates it. I believe that, with legislation such as this, the community would much rather that the opposition’s approach be one of support for the government doing difficult things. It is difficult to do these things and not to carp and go on, particularly having regard to the Labor government’s over-13-years abject failure to do what should have been done earlier.

In the context of talking about fuel, I would like to also make some mention of how the debate about fuel pricing in Australia is engaging so many people. As a member of parliament from regional Australia, I have had some spirited discussions with constituents and also some very constructive discussions with constituents about this issue. I do welcome the fact that there is an emerging better understanding by rank and file Australians of the fact that the price of fuel in Australia has risen largely due to the fact that the world price of fuel has increased dramatically almost three times in the last 18 months.

I have also enjoyed discussions with constituents about the relevance of the import parity policy, which the Australian Labor Party and the Democrats I understand—and certainly the Howard coalition government—believe is an appropriate price parity system to maintain. I understand import parity pricing was introduced by the Labor Party many years ago. The fact is that 65 per cent of the oil used in Australian refineries is imported from overseas. The inescapable fact is that Australia imports a significant amount of its oil for domestic consumption. We have to buy it on the world market. There is no other way of doing it.

Secondly, exploration, winning oil and producing oil is an extremely risky, very costly and speculative type of activity. I have some knowledge of that as a former minister in Victoria for minerals and energy, having been involved in administering the Bass Strait offshore wells for a period of time. I know the costs of exploration and of producing oil. If you were to abandon world parity pricing, you would find that people would not risk their capital to find more oil in Australia, because it would not be productive for them unless they could sell it at the price they can get elsewhere in the world. So, if for some reason world parity pricing were replaced by some form of price control on the domestic production of oil, you would find very quickly that oil production and certainly exploration would cease or, alternatively, that the oil would all be exported overseas and sold at the world market price.

It is also true that motorists are showing a recognition that fuel is a very different commodity. We are indeed a lucky country, but fuel is a scarce commodity and our reserves of fuel and the world reserves of fuel are diminishing. So the price of fuel affects the consumption of fuel. Because of the world price escalating, we have seen motorists in Australia starting to reduce the use of fuel as they go about their everyday business and also for leisure purposes. In a way, that is a good thing, because it might just give the Australian community the opportunity to recognise some of the things that the last speaker for the opposition spoke about, which I happen to agree with in part—that is, that we need to give greater emphasis as a nation to developing alternative fuel systems. Whilst there has been some valuable work in
the past and there is more work going on, I personally would like to see a lot more effort put in in this nation to finding ways of conserving fuel, reducing the use of fossil fuel and developing cleaner energy.

To do that requires not just capital but also consistent government. The Howard government is showing the lead. I would like to mention briefly that, in relation to the forest timber industry in Australia, the Howard government has through the regional forest agreement system—which, strangely, was an idea of the former Labor government—been endeavouring to manage the forest better, in partnership with the states, using regional forest reserve type systems. Parts of the regional forests can produce part of the energy for this country in the future. With the judicious use and management of forest waste, for example, it is possible to produce energy in a clean way and thus diminish the use of fossil fuel—and, might I say, to also stimulate industrial and regional development in Australia by attracting industries to places where cheaper fuel is available.

Sadly, I see the federal opposition opposing the regional forest agreement policies of the Howard government. I know that there are little twists and turns in this. I am aware of that, but I find it very frustrating to see that happening. I think it is purely political, and it is sad. If we are going to develop new energies, we have to look at the whole picture and we have to look at the way we can manage our forests and use the waste properly so that we can produce alternative energy and take advantage of those initiatives rather than see the delaying and frustrating tactics that we have seen in the last two years in this parliament with important legislation regarding forest agreements.

The other point I would like to make is that, in the political debate about fuel prices in Australia, we have seen a very spirited campaign by the opposition and others that the indexation of fuel is going to cause a crippling extra cost to motorists. In actual fact, the only increases in the last five years have not been the result of an increase in excise. About 20c of increases in excise are due to the Labor Party’s time in government. The Howard government has not increased excise in the five years that it has been in office. The only increases have been due to indexation. In August this year, from memory the indexation was 0.6c. There is some speculation about what the dimension of the indexation will be in February. The Labor Party and others are saying that John Howard should cancel and abandon that. They say that the increase could be 1c to 2c a litre. I think we will have to wait and see what the actual strike indexation rate is in February.

If you go down to the service station to fill your car, have a look at the meters on the bowsers. Say there are nine or 10 pumps on the driveway when you go in. Have a glance at what is showing on the meters. You will see the amounts that motorists are putting in their tanks. You will see $15, $20, $25, $35 and amounts in that range. So, when you see the massive political attack against John Howard and his government on indexation, I make an appeal to fair-minded Australians and say, ‘Hang on a moment. If the Labor Party are right in saying that the indexation in February will be between 1c and 2c and if you look at the average amount that the motorist puts in when they fill up or top up, you are talking about an increase of around the cost of a postage stamp or a little more, using, say, $1 a litre as the basis for the pump price on that date.’ So we have this massive political attack, and the argument is about the cost of a postage stamp or a little more—45c to 65c. I do not want to deny the fact that anyone likes to see fuel go up. I do not, John Howard does not either, but this massive political assault on that basis is quite wrong. It is not justified, particularly when the members of the Labor Party over there know in their hearts that the fuel price increases, which have been too great, are due to the world price increasing threefold over the last 18 months to two years. That is what has caused the increase.

If you say that John Howard should take the 1c, 1.5c or 2c of excise indexation off in February, that will not make any difference to the pain that motorists feel. Do members opposite seriously suggest that that is going to relieve the pain that their constituents are telling you about? They know in their hearts
and minds that it will not. To make a significant reduction in excise, you would have to reduce it by 5c or 6c. That is the dimension where the motorist would then say, ‘Yes, there’s been a decrease that I can see.’ Doing that would take away the ability of the federal government to pay the costs of indexation of age pensions that we in this parliament and the Howard government have said we will maintain for age pensions, disability pensions and youth allowances.

I see that in Victoria the Victorian Premier, Mr Bracks, and his Minister for Health, Mr Thwaites, have recently agreed to a very substantial increase in wages for nurses in public hospitals. We all know that industrial wage increases in the public health system and the public hospital system will eventually trigger an increase in the payment by the Commonwealth to the states under the Medicare agreement for the cost of running public hospitals in Australia. In this case, that amount is a substantial increase in wages for nurses—I personally think that nurses by and large deserve it—and that has to be funded some way or other. Where does the opposition say the federal government is to find the money for those sorts of increases other than through the indexation of excise, which presently happens in Australia and which used to happen under Labor governments? I know it is nice sport to go for the populist thing, but I can tell you now that between now and November next year—the Australian community will become much better informed about the truth of the very difficult issue of fuel prices. They will understand this very well, and they will be able to compare the various stances and posturing of short-term, populist alternative governments and the sound management offered by John Howard in the face of great adversity. I admire the Prime Minister for his courage in standing up to this attack. I believe and I predict that, by the time the federal election is called, the Australian motorist will not follow the short-term, populist approach the opposition are pursuing at the moment. Labor will in fact be punished for failing to care for Australia and for failing to enable any government, alternative or current, to honour its commitments. (Time expired)

Mr O’KEEFE (Burke) (9.44 p.m.)—I cannot let the opportunity go past without reminding the member for Indi of his own role in the 1996 election campaign when right across rural and northern Victoria members of the then opposition filled holes everywhere protesting about Labor’s country petrol prices. Of course he is now reaping his own reward. I invite him to have a look at his own performance at that time. I would like to make a couple of observations on the Fuel Quality Standards Bill 2000 and reiterate the position of the opposition, which is to propose some further amendments to improve this bill, having already had some accepted in the other place. I support those measures. This is a bill about fuel, and fuel primarily is about cars but it is not only about cars. This bill relates particularly to the quality of petrol, substitution and other issues which have bedevilled us for some time.

I would like to take this opportunity to make a point about LPG automotive fuel and also LPG fuel used by people who do not have natural gas supplied. The very same quality, standards and air pollution issues covered in this bill relate to this too, but at the moment we are seeing across Australia a quite serious situation for users of LPG. I have received another petition on this from a number of my own constituents this week and they are rightfully concerned. They are rightfully concerned because an agreement which was in place for nearly 20 years between the federal government and the oil companies that LPG would remain priced well below half the price of petrol at the bowser was broken. The agreement was contingent on the federal government not imposing tax—or excise, as it was then called—on this fuel in return for the industry keeping the price down and encouraging motorists to convert to LPG, for all the obvious reasons. That 20-year agreement has
been broken because there is now a tax imposed on LPG, and that tax is of course the GST.

So we have already seen the gap between petrol and LPG close quite considerably, in part because of the GST and in part because of the petrol companies now taking the opportunity to profitite on LPG by closing that gap even further under the guise of oil prices rising around the world and under the guise of the GST making LPG more expensive. Of course there is to some extent some merit in the argument that the increase in world oil prices has led to an increase in the parity price for LPG, but it has been my observation that in some country electorates in particular the price of LPG has gone up by 25c a litre and in some cases even more. Certainly fuel has not gone up in those electorates by that margin. So there is profititeering here. I think the government needs to take some serious action on this.

In the other discussions we have been having in the last few days, particularly about the new road funding package, I think another point has been missed which is terribly relevant to this whole debate about the quality of air and the attempt to reduce emissions—and that is the failure to focus more on other alternatives. We have talked about alternative fuel, but I am talking specifically about alternative modes of transport. The government has on the table at the moment a proposal to proceed with the first stage of a very high speed train network in Australia. I describe it as the first stage because I believe that, if the first stage between Canberra and Sydney is built, then as night follows day the next stages of the project—Melbourne to Sydney via Canberra and Brisbane to Sydney—will follow in fairly quick time. But it requires action now.

I note one of my colleagues the member for Greenway, Mr Mossfield, spoke on this yesterday and pointed out a number of strengths of the Speedrail submission. I want to take this opportunity in the context of this discussion on fuel to call on the government to get on with this. There is a considerable amount of revenue that has come in through the GST. It has been ripped off right across the economy, including from motorists, and there has been much said about that. There is no question that the funds are available to provide the incentive for this project. There has been quite a bit of nonsense put forward by the opponents of this project, particularly those who talk about a $1.6 billion government subsidy. This project is proposed to stand alone and be fully paid for over time. Certainly it needs a leg-up initially to get it there, and government is there to do that. I believe that the commitments that can be negotiated between the government and the company can make this project work and should make it work.

I have just returned from an overseas trip. Among other things, I took particular interest in having a look at the progress of fast trains across the world. I had the privilege of travelling on the Eurostar between London and Paris. I will declare right up front, as I will in my declaration of interest, that I made that trip as a guest of the Alstom company, one of the partners in the Speedrail consortium. They actually manufacture the trains. I also place on record that I would be one of the longest standing supporters in this parliament of the introduction of fast rail in Australia. I still make that point strongly.

It is of considerable interest that this train has only been operating for two years, I think it is, and it has now collared something in the order of 63 per cent of the total London to Paris travel market—and that includes the ferries and aviation. The train has already collared a majority of the market in something like two years. I also noted that Air France has just taken a decision to phase out its Paris to Brussels flights and to instead lease carriages on the TGV train between Paris and Brussels as part of Air France’s operation, booking in at the station and checking in your luggage exactly as you would at an airport. This is a pretty startling development. Airlines in Europe are actually phasing out the provision of flights on some routes—and we are talking here about much the same length of travel as exists between Canberra and Sydney—and taking space on the train instead.

I also noticed in a news item that the same thing is happening in Germany. The national airline, Lufthansa, and German Railway are
moving to do a similar thing early next year, and I am quoting here from a particular article:

... by launching rail services to replace loss-making short-distance flights between Stuttgart and Frankfurt.

So in Europe they are on to something here on this whole issue of pollution and fuel quality which we are discussing today. I also draw the attention of members to something that, I have got to say, stunned me. Even the Americans, the great adherents to the automobile and the eight-lane freeway, are getting the message. I will quote here from an article last week in the New York Times about the new fast train that made its first trip between New York and Boston last week. The route is covered heavily by a freeway and by aviation, but now the Americans have had to resort to trains. The article says it was the inaugural trip of Amtrak's first new train in nearly 30 years. We are moving to a situation where I believe that it is an imperative for Australia to begin this investment in rail again, and I am calling on the Prime Minister to step forward on this matter. It has been around a long time. It makes sense to everybody that you help solve some of the problems at Sydney airport and you help replace cars and pollution—all of those arguments I do not have to spell out here again in the parliament; I think they are well known.

We are in a situation where part of Australia's response to its role in the greenhouse global problem and its role in Australia with calls for alternative forms of transport is to get on with this very high speed train project. I want to take this opportunity of reiterating that call and emphasising the fact that, as a result of this recent trip, I have been able to experience first-hand not only very high class rail transport but rail transport that in the London-Paris market has within two years captured 63 per cent of the business. That ought to be an important figure to those who doubt the capacity of the speed rail project to capture quickly the business on the Sydney-Canberra route. I make very clear my view that, given the history of states in Australia on transport infrastructure, it is almost a case of, 'If you've got one, I've got to have one too.' I do not have the slightest doubt that the minute the first leg goes in place the other links between Brisbane and Sydney and between Melbourne and Sydney will follow very quickly—and so they should.

I was embroiled in a quite nasty debate and battle—which I lost, I might say—with the former Premier of Victoria, Mr Kennett, about the provision of a rail link from Tullamarine airport into the CBD in Melbourne. The reason he was so bitterly opposed to that project at that time was that it was going to be in direct competition with the new toll road freeway that was built between the city and the airport. I am very pleased to note that the new Victorian state Labor government, the Bracks government, has begun again to advance this project. Anyone who travels to Brisbane will note that the new city to airport rail link is about halfway through construction—and of course in Sydney now they have a city to airport rail link.

In Hong Kong last week I experienced the absolute five-star rail link. I tell anybody who is travelling to Hong Kong: do not fall for one of these bus transfers from the airport to the city; make sure you gear yourself up to go on the train. The train does the trip in about half the time and the service is extraordinary. The railway stations now have total check-in facilities for the airlines. So there is another place where we are seeing investment in alternative transport strategies rather than just more and more cars lining up, producing more of the car emissions that are all part of this problem.

To complete that point, we ought to be able to learn to some extent from the mistakes of others. I learned in Britain that the Labour government is now planning expenditure over the next 10 years of an extraordinary £80 billion to, to a large extent, refurbish—rehabilitate, rebuild, whatever word you want to use—the rundown British railway system. It is universally acknowledged that privatisation of the railway system and breaking it up into a number of separate parts has resulted in that lack of coordination and lack of investment—things that are required to keep infrastructure like that up to the mark. So as they now consider in Britain
what to do with the surplus, there seems to be broad acceptance across the nation that expenditure of that order on the rail system just has to be; it is not even being debated. They are not even having arguments and saying, ‘It is crazy to spend all that money on rail. Let’s spend it on something else.’ They all accept that this just has to be.

As I said at the outset of this contribution, we are supporting the passage of this legislation, subject to the second reading amendment moved by the shadow Assistant Treasurer, Mr Thomson. The issue that is behind it—that is, increasing the quality of air standards from fuel emissions—is of course very topical and terribly important. The other issues related to the delivery of petrol around Australia and fuel substitution need to be addressed—that has taken a long time to do.

I also want to reiterate the point I made earlier in my contribution, and that is that mention of LPG should not be omitted in this discussion. People ought to be aware that people who have paid to convert their vehicles to LPG, particularly those in country areas, have had what I describe as a triple rip-off. They have had the GST imposed, which has broken the deal that kept LPG prices down to well below half the price of fuel and they have had the petrol companies taking up the opportunity to profiteer on the basis of that. If you happen to live in a country area—as you do, Mr Speaker—you will know that those LPG prices have gone up by amazing figures, like 25c to 30c a litre. That is far more than the price of petrol has gone up in those areas. I am calling on the government to also give some serious attention to trying to address this problem facing LPG users—both car drivers and domestic energy users. With those comments, I reiterate our support for the legislation and urge the government to agree to the amendments that have been proposed by our shadow minister.

Debate (on motion by Mrs Gash) adjourned.

STATES GRANTS (PRIMARY AND SECONDARY EDUCATION ASSISTANCE) BILL 2000

Consideration of Senate Message

Message received from the Senate returning the bill and acquainting the House that the Senate, having considered message No. 595 of the House of Representatives, has resolved to press its requests for amendments and again requests the House to make the amendments.

Mr SPEAKER—it is my duty as Speaker to draw the attention of the House to the constitutional question this message involves. When similar circumstances have arisen in the past, successive Speakers have advised the House of the constitutional principles involved, and the House has invariably endorsed their statements.

The message purports to repeat the requests for amendments contained in message No. 490 which the House rejected at the last sitting. The House of Representatives has never accepted that the Senate has a right to repeat and thereby press or insist on a request for an amendment in a bill which the Senate may not amend.

It is a matter of constitutional propriety between the Houses based on the provisions of sections 53 to 57 of the Constitution. Legal opinions supporting the argument that the Constitution does not empower the Senate to press a request have been advanced by Quick and Garran, who were intimately involved in the development of the Constitution, and by eminent constitutional lawyers, past and present. Respectfully, I agree with the opinions but do not propose to repeat the arguments which are summarised in House of Representatives Practice.

It rests with the House as to whether it will consider message No. 496 insofar as it purports to press the requests that were contained in message No. 490.

Motion (by Dr Kemp) agreed to:

That:

(1) the House endorses the statement of the Speaker in relation to the constitutional questions raised by Message No. 496 transmitted by the Senate in relation to the States Grants (Primary and Secondary Education Assistance) Bill 2000;

(2) the House refrains from the determination of its constitutional rights in respect of Senate message No. 496; and

(3) the message be considered forthwith.

Dr KEMP (Goldstein)—Minister for Education, Training and Youth Affairs and Min-
That the requested amendments which the Senate has purported to press be not made.

The Senate has not accepted the message from the House of Representatives. The government’s position on this is clear and unequivocal: we will not accept an amendment that will remove funding from some non-government schools. The States Grants (Primary and Secondary Education Assistance) Bill 2000 is the most significant piece of schools legislation before this parliament for decades. It provides an increased investment in schooling over the next four years—some 30 per cent—making school funding one of the most rapidly growing areas of the federal budget; it provides the largest investment that the federal government has ever made in Australian schools, both government and non-government; it provides the strongest accountability measures to ensure that Australian schools deliver the literacy, numeracy and other skills which students require; and it puts in place a new, just and fair system for funding non-government schools.

The Labor Party does not like the impact of this bill on a small number of schools. It is prepared to damage these schools and many others in order to ensure that the rule of fairness which this legislation establishes does not apply to these schools. This is the ugly face of the Labor Party. We have here a fair bill, supported by the entire non-government sector. It is supported by all the major religious groupings in Australia as being fair. The Labor Party is prepared to accept the rule of fairness as it applies to almost all schools in the non-government sector, but it wishes to select for specific discriminatory action a group of schools which will be seriously disadvantaged by its proposals. The Labor Party has failed to explain why it wishes to take $3,000 per student away from the Bethel Learning Centre. It has failed to explain why it wants to take $3,379 per pupil away from the Warwick School of Total Education. It has failed to explain why it wants to take $1,990 per student away from St Joseph’s School in the electorate of Gilmore. It has failed to explain why it wants to take $1,759 per head away from Gibgate School in the electorate of Macarthur. It has failed to explain why it wants to take $2,020 per pupil away from Mentone Girls Grammar School in the electorate of Isaacs. It has failed to explain why it wants to take $1,909 per pupil away from Mentone Grammar School, also in the electorate of Isaacs. It has failed to explain why it wants to take $1,603 per pupil away from Minimbah Primary School in the electorate of Dunkley. It has failed to explain why it wants to take $1,795 per pupil away from the Wilderness School in the electorate of Adelaide. And the list could go on.

What we see here is a Labor Party which is not interested in fairness. It holds the public and the non-government sector in such contempt that it does not even feel it necessary to offer an explanation for these extraordinary discriminatory actions against these schools, because, so far as the Labor Party is concerned, these schools are just collateral damage. It has about half a dozen schools in its sights to which it is not prepared to apply the rule of fairness. It wants to apply once again the politically discriminatory actions that it applied in office to these schools, because it has to buy the support of the Australian Education Union. Its actions are already causing extreme disturbance within the non-government sector. It is making it impossible to plan the agreements with schools, because the legislation is not yet passed. The Labor Party has indicated that it finally intends to pass this legislation.

I call upon the members opposite to no longer delay but simply allow the bill to be passed and to stop abusing the constitutional processes of this country.

Mr LEE (Dobell) (10.12 p.m.)—I intend to speak only once in this debate, because I know many of my colleagues are also very keen to contribute to it. Given that the Minister for Education, Training and Youth Affairs’ colleague the Minister for Immigration and Multicultural Affairs moved the gag, no doubt with his approval, after only 40 minutes discussion in this chamber on the last occasion—I think that is more than $1 million per minute for the category 1 schools, now we are cutting $57 million extra in those 40 minutes—we are quite concerned that the government is seeking to restrict debate on
this very important issue. The reason the opposition in the Senate have voted with the Democrats to resubmit this proposal to the government to accept Labor’s amendments. We have moved three amendments in the Senate: to abolish the enrolment benchmark adjustment, to keep the category 1 schools at their current funding level and to reallocate that $145 million that therefore is freed up to special education in both government and non-government schools. This request simply implements one-third of those amendments: it increases funding for special education.

Part of the minister’s argument is that he says he has got this new ‘just and fair’ system for funding non-government schools. The only problem for this minister is that he is willing to apply this new just and fair system for funding non-government schools to 30 per cent of non-government schools. He says it is wrong for Labor to select a group of schools for selective treatment, but this minister for education does just that. He selected all the Catholic systemic schools as a special group and said they are going to be treated differently: they are going to be funded at 56 per cent of average government school recurrent costs. He selected another 272 non-government schools that would have been worse off under his so-called just and fair system of funding as a special group of schools that will have their current level of funding maintained.

He rants and raves in this chamber day after day about Labor’s failed and discredited ERI system of funding, but it is the ERI system of funding that will determine the level of funding for 70 per cent of non-government schools. Minister, if your new system of funding is so just and so fair, why are you not in here arguing that every non-government school should be funded with your formula rather than only 30 per cent of non-government schools? Why don’t you address that the next time you speak in this debate? The point that we have made over and over again is that we will do everything we can to put maximum community pressure on this government to accept our amendments.

There are some people in the community who want us to go the extra step and block the legislation completely. That would be the education equivalent of blocking supply because, if this bill were blocked, all Commonwealth funding for all schools, government and non-government, would cease on 31 December. That means that schools will not reopen in the new year, that teachers in non-government schools will not have their salaries paid and that some of the resources needed in our government schools will have to be cut back. Labor will not go down that path. We have said all along that we recognise the bill, amended or otherwise, has to be passed by Christmas, but we pledge to the people of Australia that, if the government refuses to bow to community pressure and accept our amendments, we in government will implement these very same amendments. We in government will abolish the enrolment benchmark adjustment. We signal today that we in government will take back the funds that this minister and this government are seeking to deliver to those category 1 schools.

We have also committed to reverse the Howard government’s bias against public schools through funding things like our education priority zones, by giving public schools a decent level of funding so that we can make sure all kids in our schools, whether they are public schools or needy Catholic schools, get the funding they need to make sure every child gets a decent start in life and every child gets a decent standard of education whatever school they go to. That is what these amendments are about. That is why we will be pressing this minister day after day until the end of this parliamentary session. That is the least the Australian Labor Party owes children who are attending government schools, Catholic schools, Christian schools and other non-government schools across the country.

(Time expired)

Motion (by Mr McGauran) put:
That the question be now put.
Tuesday, 28 November 2000

The House divided. [10.22 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes…………… 71
Noes…………… 59
Majority……… 12

AYES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Bartlett, K.J.
Barresi, P.A. Bishop, J.I.
Billson, B.F. Cadman, A.G.
Brough, M.T. Causley, I.R.
Cameron, R.A. Costello, P.H.
Charles, R.E. Elson, K.S.
Downer, A.J.G. Fischer, T.A.
Entsch, W.G. Gambaro, T.
Gallus, C.A. Georgiou, P.
Gash, J. Hardgrave, G.D.
Haase, B.W. Hull, K.E.
Hawker, D.P.M. Katter, R.C.
Jull, D.F. Kemp, D.A.
Kelly, D.M. 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.
Nairn, G. R. Nehl, G. B.
Nelson, B.J. Neville, P.C *
Nugent, P.E. Prosser, G.D.
Pyne, C. Reith, P.K.
Ronaldson, M.J.C. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Somlyay, A.M. Southcott, A.J.
St Clair, S.R. Thompson, C.P.
Sullivan, K.I.M. Truss, W.E.
Thomson, A.P. Vaile, M.A.J.
Tuckey, C.W. Wakefin, B.H.
Vale, D.S. Woodridge, M.R.L.
Washer, M.J. Worth, P.M.

NOES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Beaveron, L.J.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Cox, D.A.
Danby, M. Edwards, G.J.
Ellis, A.L. Emerson, C.A.
Evans, M.J. Ferguson, L.D.T.
Ferguson, M.J. Gerick, J.F.
Gibbons, S.W. Gillard, J.E.
Griffin, A.P. Hall, J.G.
Hatton, M.J. Hoare, K.J.
Horne, R. Irving, J.
Jenkins, H.A. Kernot, C.
Kerr, D.J.C. Latham, M.W.
Lawrence, C.M. Lee, M.J.
Macklin, J.L. Martin, S.P.
McClendon, R.B. McFarlane, J.S.

Representatives: 22913
McLeav, L.B. McMullan, R.F.
Melham, D. Morris, A.A.
Mossfield, F.W. Murphy, J.P.
O’Connor, G.M. O’Keefe, N.P.
Pilbersek, T. Price, L.R.S.
Quick, H.V. Ripoll, B.F.
Roxon, N.L. Rudd, K.M.
Sawford, R.W * Sciaccia, C.A.
Sercombe, R.C.G * Sidebottom, P.S.
Smith, S.F. Snowdon, W.E.
Swan, W.M. Tanner, L.
Thomson, K.J. Wilkie, K.
Zahra, C.J.

PAIRS
Howard, J.W. Beazley, K.C.
Forrest, J.A. Crean, S.F.
* denotes teller

Question so resolved in the affirmative.
Original question put:
That the requested amendments which the Senate has purported to press be not made.

The House divided. [10.28 p.m.]

(Mr Speaker—Mr Neil Andrew)

Ayes…………… 72
Noes…………… 59
Majority……… 13

AYES
Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, J.I.
Brough, M.T. Cadman, A.G.
Cameron, R.A. Causley, I.R.
Charles, R.E. Costello, P.H.
Downer, A.J.G. Elson, K.S.
Entsch, W.G. Fischer, T.A.
Gallus, C.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hawker, D.P.M. Hull, K.E.
Jull, D.F. Katter, R.C.
Kelly, D.M. Kemp, D.A.
Lindsay, P.J. Lloyd, J.E.
Macfarlane, I.E. May, M.A.
McArthur, S * McGauran, P.J.
Moore, J.C. Moylan, J. E.
Nairn, G. R. Nehl, G. B.
Nelson, B.J. Neville, P.C *
Nugent, P.E. Prosser, G.D.
Pyne, C. Reith, P.K.
Ronaldson, M.J.C. Ruddock, P.M.
Schultz, A. Scott, B.C.
Secker, P.D. Slipper, P.N.
Somlyay, A.M. Southcott, A.J.
St Clair, S.R. Thompson, C.P.
Sullivan, K.I.M. Truss, W.E.
Tuckey, C.W. Wakefin, B.H.
Vale, D.S. Woodridge, M.R.L.
Washer, M.J. Worth, P.M.

NOES
Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Beaveron, L.J.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Cox, D.A.
Danby, M. Edwards, G.J.
Ellis, A.L. Emerson, C.A.
Evans, M.J. Ferguson, L.D.T.
Ferguson, M.J. Gerick, J.F.
Gibbons, S.W. Gillard, J.E.
Griffin, A.P. Hall, J.G.
Hatton, M.J. Hoare, K.J.
Horne, R. Irving, J.
Jenkins, H.A. Kernot, C.
Kerr, D.J.C. Latham, M.W.
Lawrence, C.M. Lee, M.J.
Macklin, J.L. Martin, S.P.
McClendon, R.B. McFarlane, J.S.
Mr LEE (Dobell) (10.29 p.m.)—This is an outrage. We had only 10 minutes to discuss the States Grants (Primary and Secondary Education Assistance) Bill 2000 that funds education to the value of $22 billion. My colleagues on this side of the House say to the government that we will hold them accountable for their attempts to gag debate on this legislation. It is our intention to ensure that the people of Australia understand that it is the Minister for Education, Training and Youth Affairs and this government that are not providing public education with a decent level of funding. I can assure this House that we are going to ensure that this legislation is sent from the Senate back into this House to allow a decent level of debate.

We had people like the member for Corio, the member for Canberra and the member for the Northern Territory prepared to give devastating indictments of this government’s school funding legislation until this government gagged the debate. When the legislation was first brought into the House, we did not even know how much funding was going to schools like King’s and Geelong Grammar. That information was only forced out of the minister when we said we were going to keep adjourning the debate in the Senate until the figures school by school were released. Dr Kemp, the minister for education, was forced to release this information during the Olympics when everyone was not focussed on school funding, but it did not hide the fact that this government is seeking to ensure that the largest increases go to the wealthiest schools.

So we did not even have the information before the House when we decided on the legislation on the first occasion. The second time we had a chance to debate this was yesterday afternoon in this House when all we had was 40 minutes; $57 million a year extra to the category 1 schools delivered in 40 minutes. Tonight we set a new world record; $57 million a year given to the category 1 schools in 10 minutes. This is not good enough. This government claims it has this new fair system of funding schools but it is not prepared to allow decent debate in the people’s house, the House of Representatives, where this government should be held accountable for this outrageous piece of legislation.

For the record let me state again: Labor is not opposed to increases for needy, non-government schools. Labor’s criticism is that there is no balancing increase for public schools across the country. The minister claims that public schools get an increase of $1.4 billion over the life of the four-year agreement. The truth is, as every Labor member of this House understands, that that is just the automatic indexation that takes
place under the legislation the former Labor government passed. That is all that increase is. When you discount and wash out of those funding levels for public schools the effect of the automatic indexation, all the public schools get is $4,000 per school. So schools like King’s get $1.4 million a year, while Parramatta High up the road gets $4,000. Geelong Grammar gets almost $1 million a year, and public schools in Geelong, as my colleague the member for Corio has assured me, are getting an average of only $4,000 a year. So it is just an outrage that the largest increases are going to the wealthiest schools.

Mr Hardgrave—Mr Speaker, I draw your attention to the attire of some of the members opposite.

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

Mr Lee—After we saw the member for Cowper counselling the Minister for Sport and Tourism, that was not a very clever point of order from the member for Moreton.

Mr Speaker—I will determine which points of order are appropriate.

Mr Lee—Mr Speaker, I am sure you, like all of us, were shocked to see the attire of the Minister for Sport and Tourism during that last division.

Mr Speaker—In the present circumstances, I am not sure anyone is in a position to be too critical.

Mr Lee—The point we make is that that simply added to our concern about the fairness of the school funding legislation and the fact that this government, despite the attire of its members, is not prepared to allow decent debate in this House about the needs of government school funding. The three amendments we have moved in the Senate that have come before this House are not just a strategy for some debate; this is a policy for a Labor government. We will pursue these amendments in one of the first bills that a Beazley Labor government will introduce into this House. It is for this reason that we will press the government on these amendments and that we will ensure that maximum community pressure is placed on the Howard government to accept these amendments that make this bill fairer. (Time expired)
who are named before the Criminal Justice Commission.

Mr HARDGRAVE—I could; I haven’t.

Mr Leo McLeay—You just said that.

Mr SPEAKER—The member for Moreton!

Mr Leo McLeay—Mr Speaker, the Prime Minister and the Leader of the Opposition have said that they will accept the importance of the suppression order.

Mr Slipper—And he hasn’t breached it.

Mr SPEAKER—The Chief Opposition Whip has the call.

Mr Leo McLeay—The member for Moreton just said that he could breach that if he wanted to. If we are going to have a member breach that now, then all sorts of chaos will occur in this House. I would ask you, Mr Speaker, to ensure that members of the government and the minister at the table do not encourage the member for Moreton in this action and that members of the government ensure that they do not breach that suppression order. I would ask you to ensure that, Mr Speaker.

Mr SPEAKER—The Chief Opposition Whip is aware that the chair has no way in which to confine members other than to ensure that their language is parliamentary. The member for Moreton, to my knowledge, has not said anything that would be unparliamentary and I recognise he has the call.

Mr HARDGRAVE—The member for Watson is the hit man for the AWU in this particular matter. He is doing all he can to try to suppress proper discussion and debate on important matters. (Quorum formed)

Steel Tank and Pipe: Employee Entitlements

Mr BYRNE (Holt) (10.39 p.m.)—If we are talking about rorts, let us talk about a rort that has been perpetuated in the state of Victoria by a company called Steel Tank and Pipe. We have heard much from the Minister for Employment, Workplace Relations and Small Business, Mr Reith, today about unfair dismissals and, yet again, sinking the boot into employees, as is his wont. But time after time he ignores something that occurs right beneath his nose: the artificial corporate re-structuring of companies that basically results in workers losing their rightful entitlements. Time after time the minister has come into this House talking about rorts, but time after time we see examples of corporate ill-good actively aided and abetted by the minister.

I want to refer tonight to a company called Steel Tank and Pipe, which is located in Sunshine in Victoria. This case is currently being investigated by ASIC and the Taxation Office. On 3 November, this company was placed into the hands of Pricewaterhouse-Coopers. This company manufactures, or did manufacture, petrol tanks. This company used the same tactic that Patrick used on the waterfront: transferring employees to $2 shelf companies with no assets. In this way, the shelf company can onsell the labour to the parent company and, when the parent company wishes to get rid of the workers, entitlements do not need to be met. As well, STP in this instance ensured that its directors were secured creditors ahead of the workers, so that in the event that they were ordered to pay money into the shelf company they would be the first beneficiaries. Apart from the parent company, numerous other companies were set up with directors as secured creditors.

One hundred and fifty of the 240 full-time staff were placed into these shelf companies. They are owed something like $3.3 million. Their entitlements lost include superannuation, long service leave, holiday pay and severance pay. Mr Reith’s response has basically included sympathy and the option of waiting for the insolvency practitioners—this is the case that you are looking at—to see how much money is there. The beneficiaries of this scheme are Steven and Brad Weeks. It is also comforting—and should be to the minister standing over there—that Steven and Brad’s mother is a secured creditor for the amount of $1 million. We are relying on companies like Visy, who have put $500,000 into a trust account for the workers, so that their work can be completed. It is not the role of Visy to take care of the government’s inadequate legislative response.

There are two main issues here for the minister. One is the gap in the Corporations
The court should be able to chase directors who use such structures to avoid liabilities. This is a common practice in the building industry and in nursing homes. The Australian Chamber of Commerce and Industry commented upon the practice last year and called for the government to act. No action has been forthcoming from the minister to date—just slightly higher penalties in the Corporations Law ‘employee protection’ amendments. The other main issue—and it continues to be an issue—is inadequate coverage of Minister Reith’s scheme. On average, the workers earn something between $22,000 and $32,000 and the maximum payment under Mr Reith’s fully operational scheme would be $20,000, so they stand to lose on average $12,000. Mr Reith continues to come into this place and say that he has fixed the problem, but this case yet again illustrates that he has not.

This company going bust has a downstream effect on the local manufacturers in my electorate of Holt—in particular, one company called Pearson Contracting, which is located in Brooklyn Avenue, Dandenong South. This company has a turnover of about $3 million and employs 20 people. STP supplies Mr Pearson’s company with hot pressed dished ends for the manufacture of pressure vessels. STP is the only manufacturer of dished ends in Australia and the loss of the company will seriously affect export markets. Other nearby companies affected include Milne International in Clayton. Locally for the south-east these companies would account for a turnover of about $20 million. Nationally, this company folding will affect companies such as Champion Compressors, Visy Industries, Lurgy Constructions, Fred Curtin Engineering, Shell Aviation—and the list continues.

In order to get some action on this issue, Mr Pearson sent a letter to Mr Reith, Mr Howard and the so-called Minister for Industry, Science and Resources, Senator Minchin, whose workplace practices with respect to manufacturing companies are like his mentor Ian McLachlan: chuck them up against a wall and see who lasts. This letter is dated 22 November. So, rather than Minister Reith coming in here, pouncing around and talking about sinking the boot into employees and small businesses, how about doing something to end this rort that continues unabated in Victoria? This minister has a chance to redeem himself with respect to rorts, particularly with respect to this issue. The workers of STP are owed $3 million worth of entitlements. The workers in the company in my electorate that is about to be defunct as a consequence of STP going bust will be watching what this minister does with a great deal of interest. (Time expired)

Australian Labor Party: Queensland

Mr CAMERON THOMPSON (Blair) (10.44 p.m.)—I will discuss some of the allegations that have surfaced against Warwick Powell, who is one of the characters named by the Shepherdson inquiry in Queensland. Warwick Powell is described on a CV provided by Enhance Management—

Mr Leo McLeay—I raise a point of order, Mr Speaker. The government has said that it will honour the suppression order before the CJC.

Mr SPEAKER—The Chief Opposition Whip will be aware that the chair has no control over agreements between the government and the opposition. I have been listening to the member for Blair and he has not, at this point, said anything that I would consider to be an affront.

Mr Leo McLeay—I understand that you cannot be the arbiter of agreements that the government has made. But the government has said that it will keep this agreement about the suppression order. Mr Powell is appearing before the commission and he has given evidence. If the government genuinely wants to keep to the word of its leader, it should not raise this matter.

Mr SPEAKER—The Chief Opposition Whip does not have a valid point of order and will resume his seat.

Mr CAMERON THOMPSON—that brings me to the most recent example of Warwick Powell’s work, this time for the Ipswich City Council. I have seen parts of a submission to the Shepherdson inquiry by an Ipswich councillor, Trevor Nardi. Councillor Nardi has been advised in writing by the CEO of the Ipswich City Council that War-
wick Powell developed the internal boundaries for the election of councillors in the city of Ipswich. Ipswich has a long history of spirited attempts by the ALP to dominate local politics. These boundaries are the lines that separate the electoral divisions that councillors contest at elections—most recently, earlier this year. One would expect those lines to be guarded carefully by the Electoral Commission of Queensland to ensure that they are drawn up through a process free from party interference. However, the written advice to Councillor Nardi from the CEO of Ipswich council, Mr Jamie Quinn, reads as follows:

Council engaged the services of Enhance Management. This consultancy developed our internal boundaries. The senior research consultant on the project was Warwick Powell.

So, according to the CEO of Ipswich City Council, Warwick Powell developed the internal boundaries of the council area. I understand that this submission was accepted and implemented without amendment by the Electoral Commission of Queensland prior to the recent council elections. In fact, one councillor, Rick Gluyass, complained that efforts to redraw the boundaries were left until just 10 days before submissions were due. It must have sounded like a dream to the ALP: their man was given free rein to draw up the boundaries. We are talking not about one or two names on a dodgy enrolment but about the physical lines that separate one electorate from another, and they are being cooked up by an agent of the ALP. For this the council paid Enhance Management $13,500 at a rate of $1,800 a day. In fact, that submission from Enhance Management was the highest quote received for that job, yet it was accepted by the Labor dominated Ipswich council. What was the outcome? Two divisions were virtually untouched, and they were the Labor councillors’ divisions.

Mr Speaker—The Chief Opposition Whip will resume his seat. He does not have a valid point of order.

Mr Cameron Thompson—At the other end of the scale, two conservative independent councillors, Neil Russell and Rick Gluyass, had their divisions worked right over. Neil Russell, who was a National Party candidate at one stage, had his electorate chopped up into five pieces. What a surprise! I understand that Warwick Powell met for an hour with each of the sitting councillors as part of the process. Obviously some of them were more successful than others in making their representations to him, and obviously the lucky ones were the ALP members.

It beggars belief that such a process, carried out by someone as politically partisan as Warwick Powell, could find its way into the electoral system and form the basis of a subsequent election. Yet that is exactly what happened. The city council boundaries of Ipswich were rorted by a man who has been revealed in evidence to the Shepherdson inquiry as someone who would put his name to a dodgy enrolment form. It turns out that he is the guy who has been nominated by the ALP to draw up the internal boundaries of the city of Ipswich. It is a scandal, it is an outrage and the people of the city of Ipswich deserve to have those questions answered by the inquiry.

Mr Leo McLeay—Mr Speaker, I raise a point of order. The member for Blair is making outrageous statements. The bloke worked for the National Party, not the Labor Party—and he knows it.

Mr Speaker—The Chief Opposition Whip will resume his seat. If he persists with frivolous points of order, I will deal with him.

Mr Cameron Thompson—I should say in finishing that—(Time expired)

Centrelink: Breaching Policy

Ms Kernot (Dickson) (10.49 p.m.)—I want to talk about Centrelink and its policy of breaching. In the estimates committee hearings last week, we learned from the department that Centrelink risked losing up to $6 million in government funding if it failed to meet targets that included breaching un-
employed people of their benefits. The Senate estimates committee found that, since October, Centrelink funding had been tied to meeting 12 performance targets, two of which required it to penalise a certain number of people for breaking rules. Since that time, the minister has protested that it is not about quotas. (Quorum formed)

As it currently operates, the social security breaching system is imposing very heavy penalties on increasing numbers of people, with the main outcome being more people being pushed into deeper poverty and restricted in their capacity to engage in job search or education and training activities. We have heard a lot from this government in the past about welfare fraud, and I think it is really important not to confuse breaches with fraud. Welfare fraud is not condoned by Labor or anybody else, but it is a relatively small and containable phenomenon. Less than one-tenth of one per cent of recipients fraudulently obtain benefits. Breaches, on the other hand, relate to infringements of often complex rules or administrative or activity requirements.

What is really important is to draw attention to the fact that, in this system, there has been a 250 per cent increase in the application of penalties over a three-year period. What are the reasons for that? An increase of this magnitude just cannot be attributed to the sudden emergence of failings or character deficiencies in the population group that we are describing; I think it is about the structural deficiencies in the current system.

If you look, for example, at many people who are breached for failing to correctly declare their earnings, in a large number of cases they are not trying to hide their income. That is the insinuation, but they are not. They declare their earned income, but they do it when they receive the money rather than when they earn it, as the rule requires. I think this is a very understandable mistake. I want to use other adjournment times to go on to show you, Mr Speaker, and the House the trivial things for which people are breached. (Time expired)

Taylor, Mr John

Mr JULL (Fadden) (10.54 p.m.)—St. Colomb’s church in Clayfield was full to overflowing today for the funeral of one John Taylor. John Taylor, who was a personal friend of mine, died at the weekend after a short illness. He will be remembered as one of the leading lights of Brisbane radio during the 1960s and, importantly, one of the most significant figures in jazz music in Brisbane and, indeed, throughout Queensland.

John Taylor’s was an interesting background. He was born in Brisbane. He trained as an electrical engineer and served his early days in country radio stations. However, eventually he made his way onto the airwaves and ended up as one of the top rating announcers on Radio 4BH during the 1960s and into the 1970s, and reached the pinnacle as program manager of that particular station in the late 1960s.

It was an interesting funeral in as much as the music was of the jazz genre, and Jesu Joy of Man’s Desiring played by a jazz instrument is rather a moving experience. It was interesting too to see the leading lights of Brisbane radio, both past and present, there. People like Neil Rudd and Jim Sweeney, Ben Beckinsale, Jim White, Ken Guy, Ray Rigby and others came to pay tribute to this man who had taught so many radio announcers of the Brisbane radio industry so much. In fact, I am proud to say that John Taylor was a mentor of mine when I first went into that industry at the ripe old age of 18.

Could I just say that I would like to pay tribute to John Taylor for the work that he did in the Brisbane Jazz Club. The Brisbane Jazz Club is an interesting organisation that has been in existence for many decades. It is one of the few instrumentalities that we have in Queensland that maintains an interest in jazz and promotes jazz. The Brisbane Jazz Club was in some difficulty a year or two ago, and it was John Taylor who was approached to come and try to drag it back into the black and, indeed, out of the financial mire. I think he did a very good job in doing so, and he should be commended for the efforts that he made in making sure that the Brisbane Jazz Club continued its good work.
But to his wife, Lyn, and to his daughter, Sharon, I would like to send my deep regards and express a personal thanks for all that John Taylor achieved in the entertainment industry in Australia; for all the work he did with young radio personalities, particularly in the 1960s; and, indeed, for the tremendous promotion he made of jazz music in the state.

Just finally, Keith Cronau, who is another leading light in the entertainment industry in Queensland and who spoke at the funeral, paid tribute to the fact that John Taylor knew more about Francis Albert Sinatra than probably anybody else in the history of the world, apart from Sinatra’s immediate family—and this was true. It was interesting going to the Taylor house because the centrepiece was a personally autographed photograph of Frank Sinatra, addressed to John and Lyn Taylor from the great man himself. I am sure that in the other place John Taylor will be attending every Sinatra concert he can possibly go to and, indeed, will be having some magnificent reunions with some of the great jazz figures of history. John Taylor was a great man; I am very proud to have known him.

Question resolved in the affirmative.

House adjourned at 10.59 p.m.

NOTICES
The following notices were given:

Mr Reith—To present a bill for an act to amend the Workplace Relations Act 1996.

Mr Ruddock—To present a bill for an act to amend the Aboriginal and Torres Strait Islander Commission Act 1989, and for related purposes.

Mr Ruddock—To present a bill for an act to amend the law relating to migration, and for related purposes.

Mr Ruddock—To present a bill for an act to amend the law relating to migration, and for related purposes.

Mr Slipper—To present a bill for an act to amend the Remuneration Tribunal Act 1973, and for related purposes.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Australian Taxation Office: Petroulias, Mr Nick**  
(Question No. 1494)

**Mr Kelvin Thomson** asked the Minister representing the Assistant Treasurer, upon notice, on 9 May 2000:

1. Has his attention been drawn to a report in the *Business Review Weekly* of 14 April 2000 entitled Petroulias v Carmody and the $300 cigars.

2. Did Mr Nick Petroulias propose in writing to Tax Commissioner Michael Carmody that he be appointed First Assistant Commissioner in charge of a planned National Strategic Intelligence Unit.

3. Did Mr Carmody and Mr Petroulias then have negotiations regarding Mr Petroulias possible appointment as Chief of the Strategic Intelligence Unit, involving an exchange of e-mails concerning the possible function of the Strategic Intelligence Unit and a face to face meeting concerning the position in Canberra.

4. Did Mr Carmody subsequently offer Mr Petroulias the position at Assistant Commissioner level.

5. Did Mr Petroulias reject that offer, but subsequently accept the position when the offer was increased to promotion to First Assistant Commissioner.

**Mr Costello**—The Assistant Treasurer has provided the following answer to the honourable member’s question:

As these questions go to matters which are currently before the courts, it is not considered appropriate to provide answers. In this context, the Director of Public Prosecutions has indicated he would prefer that there be no discussion about this matter whilst it is pending before the courts.

**Australian Taxation Office: Petroulias, Mr Nick**  
(Question No. 1514)

**Mr Kelvin Thomson** asked the Minister representing the Assistant Treasurer, upon notice, on 10 May 2000:

1. Has his attention been drawn to a report in the *Australian Financial Review* of 20 to 25 April 2000 entitled Mystery of Petroulias appointment.

2. When was Mr Nick Petroulias appointed to the position of First Assistant Commissioner within the Australian Taxation Office.

3. Was the position gazetted; if so, when; if not, why not.

4. Who comprised the Selection Committee for this appointment.

5. Who approved the appointment.

**Mr Costello**—The Assistant Treasurer has provided the following answer to the honourable member’s question:

As these questions go to matters which are currently before the courts, it is not considered appropriate to provide answers. In this context, the Director of Public Prosecutions has indicated he would prefer that there be no discussion about this matter whilst it is pending before the courts.

**Sydney (Kingsford Smith) Airport: Operational Changes**  
(Question No. 1788)

**Mr McClelland** asked the Minister for Transport and Regional Services, upon notice, on 14 August 2000:

1. How many operational changes affecting how air traffic is managed have been implemented at Sydney (Kingsford Smith) Airport since (a) 1 April 1996 and (b) 1 August 1999.

2. How many operational changes affecting air traffic management are planned for implementation in the period 1 August to 1 October 2000.
Airservices has advised the following in response to Questions (1) to (4):

(1) A response to this question would require an inefficient use of resources as it would be very difficult, costly and would take considerable time to provide an exact number of operational changes that would have affected the management of air traffic at Sydney Airport over such an extended period.

Operational changes at Sydney Airport from April 1996, range from minor to very significant and encompasses changes in the extent of traffic management and other responsibilities at Sydney Airport, including moving sections to Melbourne and Brisbane en-route, deletion of Airways Data Systems Officer (ADSO) positions and changes to Flight Services. The period also includes the introduction of the Long Term Operating Plan (LTOP), new modes of operation, curfew operations, and the introduction of TAAATS.

Details of changes affecting air traffic management are promulgated in a number of forms including a Request for Change, amendments to the Manual of Air Traffic Services (MATS), Aeronautical Information Publication Supplementary (AIP SUP), changes and in Notices to Airmen (NOTAMs). While a number of these are permanent many are temporary and apply for only short periods and pertain to certain situations or circumstances.

(2) No major initiatives have been programmed within the defined period. Ongoing routine changes to documentation occurred as part of normal business, and in support of the Olympics. A number of enabling activities for the Olympics were carried out, mostly affecting Sydney. These included facilities changes to enable better traffic management and coordination at Bankstown and Hoxton Park. A TAAATS Data upgrade was undertaken in early September – this was a routine activity. Some pre-planned air route changes and temporary restricted areas came into effect during the Olympic period.

(3) TAAATS employs high levels of equipment redundancy and duplication, however, a fault does not usually imply a loss of service to the controllers.

Within the TAAATS system the Voice Switch Control System and Eurocat fault data does show a moderate increase in the fault rate during this period. The increase is primarily due to three causes:

- an increase in the number of systems deployed
- the proactive, short-term mitigation activities which address an equipment deficiency are recorded as faults; and
- an increased focus, over the last two months, on accurately capturing fault information.

(4) The Mean Time Between Failure (MTBF) for the TAAATS Equipment was 2900 Hours in June 2000 and 3000 Hours in July 2000.

In terms of significant failure notifications, there were 3 for June and 4 for July in respect of the Voice Switch Control System, and 12 for June and 17 for July in respect of Eurocat. The July Eurocat data were impacted by the introduction of tactical flow control software, with the figure for August reducing to 2.

(5) The Deputy Prime Minister holds frequent discussions with Airservices Australia on a wide range of issues. It would have an adverse effect on the provision of full and frank advice to the Minister if the details of such discussions were disclosed.

Nursing Homes: Budget

(Question No. 1803)

Dr Theophanous asked the Minister for Aged Care, upon notice, on 15 August 2000:
(1) What proportion of the total Aged Care budget for nursing homes and hostels since 1990 on a year-by-year basis has been directed into: (a) ethnic-specific nursing homes and hostels; and (b) multi-ethnic nursing homes and hostels.

(2) Since 1990, on a year-by-year basis, what has been the total number of nursing home and hostel beds and of these, how many beds were in: (a) ethnic-specific nursing homes and hostels; and (b) multi-ethnic homes.

**Mrs Bronwyn Bishop**—The answer to the honourable member’s question, in accordance with advice provided to me, is as follows:

(1) The Department does not have specific data on ethno-specific and multi-ethnic facilities dating back to 1990. The proportion of Aged Care Budget provided to people from culturally and linguistically diverse background has increased by 93.4% between 1995-96 and 1999-00.

(2) The Department’s data does not distinguish between ethno-specific places and multi-ethnic aged care places. The number of residential ethno-specific aged care places have increased by 30.7% between 1995-96 and 1999-00.

**Nursing Homes: Ethnic Specific Places**

(Question No. 1804)

**Dr Theophanous** asked the Minister for Aged Care, upon notice, on 15 August 2000:

(1) Has she developed a policy to ensure that all significant ethnic groupings are being offered the possibility of ethnic-specific hostels and nursing homes.

(2) Does the Government have a target for the total number of facilities and placements in ethnic-specific nursing homes and hostels.

(3) What proportion of beds in the current round of nursing home and hostel placements is for ethnic-specific beds.

(4) What is the breakdown of ethnic-specific placements being offered and to which individual ethnic communities are they being offered.

**Mrs Bronwyn Bishop**—The answer to the honourable member’s question, in accordance with advice provided to me, is as follows:

(1) The Government has developed the Ethnic Aged Care Framework 1997, and identified ethnic older people as special needs group under the Aged Care Act 1997.

(2) Ethno-specific aged care beds are covered under the planning framework.

(3) In the 2000 Aged Care Approvals Round places were targeted for people from diverse and cultural and linguistic backgrounds: The Aged Care Planning Advisory Committees (ACPACs) in each State and Territory provide advice on the distribution of new places.

(4) Over 1,020 ethno-specific residential and Community Aged Care places have been targeted in the 2000 Aged Care Approval Round.

**Nursing Homes: Inspections**

(Question No. 1812)

**Mr Kelvin Thomson** asked the Minister for Aged Care, upon notice, on 15 August 2000:

(1) How many inspections of nursing homes have been carried out by the Government or its agencies on nursing homes in the electoral divisions of (a) Deakin, (b) Chisholm, (c) La Trobe, (d) McEwen and (e) Aston since 1 January 1999.

(2) What are the details of inspections in each case.

**Mrs Bronwyn Bishop**—The answer to the honourable member’s question, in accordance with advice provided to me, is as follows:

(1) There have been over 170 inspections of residential aged care facilities in the above named electorates since 1 January 1999.
(2) The Department and the Aged Care Standards and Accreditation Agency carried out spot checks, complaint visits, resident classification scale visits, site audits, support contacts and review audits.

Prospect Electorate: Nursing Homes
(Question No. 1860)

Mrs Crosio asked the Minister for Aged Care, upon notice, on 28 August 2000:

(1) Between March 1996 and August 2000 how many spot checks were carried out on nursing homes within the electoral division of Prospect.

(2) How many complaints regarding nursing homes within the electoral division of Prospect were received by the Minister in (a) 1996, (b) 1997, (c) 1998, (d) 1999 and (e) 2000.

(3) Further to the answer to question No. 1636, (Hansard, 30 August 2000, page 19797); concerning spot checks to be undertaken by her Department after a nursing home receives accreditation, will spot checks be performed on a yearly, half yearly, quarterly, monthly or random basis.

(4) How long does a nursing home’s period of accreditation last.

Mrs Bronwyn Bishop—The answer to the honourable member’s question, in accordance with advice provided to me, is as follows:

(1) One.

(2) This information is protected information under the Aged Care Act 1997.

(3) Generally, on a random basis.

(4) The period of accreditation is determined by the Agency on the merits of the individual applications, in accordance with the Accreditation Grant Principles 1999.

Aviation and Maritime Services: Board Expenses
(Question No. 1861)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 28 August 2000:

What was the total sum, on an itemised basis, spent by (a) Airservices Australia (b) the Civil Aviation Safety Authority and (c) the Australian Maritime Safety Authority on Board expenses including remuneration, travel, accommodation, provision of laptop computers, facsimile machines or other office equipment, reimbursements for other Board member expenses and any hospitality in each year since 1995.

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

Airservices Australia has advised the following:

Itemised Board expenses for Airservices Australia are provided at Attachment A. (Copies of the Attachment are available from the House of Representatives Table Office)

Airservices’ Board may consist of not more than nine members. The Board operates four sub committees being, the Audit Sub Committee, the Safety and Environment Sub Committee, the Remuneration Sub Committee and the Olympics Security Sub Committee. In 1999/2000 there were thirty three meetings of the Board and its Committees.

Remuneration costs will vary with the number of appointees on the Board in any year. The Remuneration Tribunal set remuneration levels for Board members. Administrative costs in 1995/1996 and 1999/2000 include CEO search costs.

The Civil Aviation Safety Authority has advised the following:

Itemised Board expenses for the Civil Aviation Safety Authority (CASA) is provided at Attachment B. (Copies of the Attachment are available from the House of Representatives Table Office)

CASA’s Board consists of not more than seven members. The Board operates one sub-committee, the Board Audit Committee. In the period 1999/2000, there were twenty three meetings of the Board and its Audit Committee. One other Board Committee, the Board Safety Committee operated in
previous financial years. The Committee met once early in the period 1999/2000 before being disbanded with its responsibilities passing to the Executive Safety Committee.

Remuneration costs will vary with the number of appointees in the Board in any year.

The Australian Maritime Safety Authority (AMSA) has advised the following:

The Australian Maritime Safety Authority (AMSA) advises that its accounting system does not detail expenditure on travel, accommodation, office equipment, expenses and hospitality for Board members for the complete period. The provision of annual totals for expenditure of Board members could only be extracted by examination of individual records. AMSA advises that the expenditure figures in 1999-2000 would be indicative of the relative level of expenditure in preceding years as both policy and practice has not changed over the period.

**Remuneration**

Section 15 of the Australian Maritime Safety Authority Act 1990 provides that AMSA Board members’ remuneration is determined by the Remuneration Tribunal. The Remuneration Tribunal’s Determination 1999/03 consolidated as at 18 May 1999 provided the following annual rate of fees for AMSA Board members for 1999-2000:

- The Chairman: $38,000
- The Deputy Chairman: $25,000
- Board Members: $16,600

Board members who are members of the Audit Committee received an additional fee of $5,000 per annum. The Deputy Chairman and two members of the Board are members of AMSA’s Audit Committee.

The total remuneration to non-executive Board members for each financial year since 1995 is as follows:

- 1995-1996: $96,141
- 1997-1998: $114,766
- 1998-1999: $138,331
- 1999-2000: $134,024

**Travel and Accommodation**

AMSA provides Business Class air travel and a taxi hire car as required by Board members to attend AMSA Board meetings and conduct Board business. The Remuneration Tribunal’s Determination 1999/03 consolidated as at 18 May 1999 provided that AMSA Board members were entitled to receive a Travelling Allowance during 1999-2000 per overnight stay of $350 in Sydney, $290 in other capital cities and $200 in other than a capital city. The total expenditure on travel and accommodation for Board members in 1999-2000 was $86,927.

**Office Equipment**

AMSA provides Board members with telephone, facsimile and computer facilities to assist in conducting Board business if these facilities are not otherwise available to them. In 1999-2000, one Board member was provided with a computer and modem connection to facilitate the transfer of messages and documents electronically.

**Expenditure Reimbursement and Hospitality**

Hospitality is not provided to Board members except in circumstances where other stakeholders are involved. AMSA may arrange hospitality if an activity is associated with progressing AMSA’s interests such as engagements with national or regional industry representatives. It would not be possible to distinguish expenditure on hospitality for Board members from other guests.

**Fuel Grants Scheme: Expenditure**

(Question No. 1893)

Mr Fitzgibbon asked the Treasurer, upon notice, on 30 August 2000:

(1) What proportion of the Government’s Fuel Grant Scheme was paid to (a) BP, (b) Shell, (c) Caltex and (d) Mobil in July 2000.
(2) What was the total sum of revenue raised from petrol excise and taxation during (a) June and (b) July 2000.

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

1. This information is not available due to the privacy restrictions of Section 47 of the Product Grants and Benefits Administration Act 2000.

2. These estimates are not published. Estimates of annual excise revenue from petrol, and total GST revenue are published in the Commonwealth Budget Papers and in the Mid-Year Economic and Fiscal Outlook.

**Small Business: Research Funding**

(Question No. 1894)

**Mr Fitzgibbon** asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 30 August 2000:

What sum was allocated for small business research in the 2000-2001 Budget.

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

Funding for research related to small business is included within the budget allocations for the portfolio’s various activities. There is no total figure for this expenditure as it covers surveys that are not exclusively small business related and not readily disaggregated.

**Colston, Former Senator: Movement Records**

(Question No. 1957)

**Mr Murphy** asked the Attorney-General, upon notice, on 7 September 2000:

1. Further to the answer to question No. 1655, (Hansard, 5 September 2000, page 18217), concerning former Senator Colston, is he able to say whether the Minister for Immigration and Multicultural Affairs exercised his power under subsection 488(2)(e) of the Migration Act 1958, to authorise a member of the Australian Federal Police (AFP) to perform for the purposes of law enforcement one or more of those actions in subsection 488(1) of the Act; if so, what were the particulars of that authority; if not, were reasons given for the Minister not authorising a member of the AFP.

2. Is he able to say whether the movement records of former Senator Colston is information relevant to the charge of defrauding the Commonwealth made against him.

3. Is he also able to say whether the movement records of former Senator Colston is information relevant to protecting the public revenue.

4. If an authority has not been given by the Minister pursuant to subsection 488(2)(e), will he advise the Minister to give such authority to a member of the AFP.

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

1. No. The Australian Federal Police (AFP) has not requested the Minister for Immigration and Multicultural Affairs, under subsection 488(2)(e) of the Migration Act 1958, to authorise access to the movement records specifically relating to former Senator Colston. However, as indicated in the Minister’s response to Question 1958, the Minister has exercised his power under that subsection to authorise certain members of the AFP to perform for the purposes of law enforcement one or more of those actions in subsection (1) of the Act.

2. I am not in a position to comment on police operational matters.

3. No.

4. No. See answer 2 above.

**Lowe Electorate: Nursing Homes**

(Question No. 1959)

**Mr Murphy** asked the Minister for Aged Care, upon notice, on 7 September 2000:
(1) How many nursing homes are operating within the electoral division of Lowe.

(2) How many complaints have been received by her Department and the Aged Care Standards and Accreditation Agency against nursing homes within the electoral division of Lowe between October 1998 and 6 September 2000.

(3) How many spot checks of nursing homes have been conducted by her Department and the Aged Care Standards and Accreditation Agency within the electoral division of Lowe between October 1998 and 6 September 2000.

Mrs Bronwyn Bishop—The answer to the honourable member’s question, in accordance with advice provided to me, is as follows:

(1) The list of accredited facilities are published on the Agency web site.

(2) This information is protected information under the Aged Care Act 1997.

(3) 7.

Roads: West Shepparton Bypass
(Question No. 1988)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 3 October 2000:

Further to question No. 1805 (Hansard, 2 November 2000, page P19577) concerning the proposed Goulburn Valley Shepparton Highway bypass, has the Government undertaken work on all the by-pass options; if so, what is the nature of the work undertaken and the associated costings of the road work.

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

Prior to the Victorian Government’s current review of environmental factors on the Western route, the initial Environmental Effects Statement (EES), undertaken by the Victorian Government, assessed in detail the economic, social, heritage and environmental impacts of central, western and eastern alignments for the proposed bypass.

The EES estimated construction costs of the alignments are:

- the western route at $246 million;
- the eastern route at $251 million; and
- the central route at $291 million.

Specific details of the route assessments may be found in the EES.

Perth Airport: Flight Paths
(Question No. 1990)

Mr Martin Ferguson asked the Minister for Transport and Regional Services, upon notice, on 3 October 2000:

(1) How many flights per week are made by Fokker F27 aircraft in and out of Perth airport.

(2) What rules or regulations determine the flight paths followed by these aircraft.

(3) Are there any safety, environmental or operational reasons why these aircraft cannot use jet aircraft flight paths.

(4) Would the use by these aircraft of the jet flight paths reduce the noise for residents.

(5) What steps is the Government taking to reduce the impact of Fokker 27 noise on Perth residents.

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

(1) Airservices Australia has advised that 5 arrivals and 5 departures per week by Fokker F27 take place at Perth Airport on a regular basis, plus an occasional non-scheduled flight.

(2) Airservices advises that non-jet aircraft with a maximum takeoff weight greater than 5,700kgs, including the Fokker F27, would normally be required to follow standard arrival and departure procedures as set out in Airservices’ ‘Aeronautical Information Publication’ (AIP) section for Perth Airport.
(3) and (4) I am advised that, while in some circumstances the mixing of slower propeller aircraft, such as the Fokker F27 with faster jet aircraft is not practicable to achieve separation assurance, Fokker F27 aircraft generally do use established arrival and departure procedures set out in the AIP, when operating at Perth Airport. For example, Airservices advises that when departing from runway 21, the preferred main runway at Perth Airport for takeoffs, Fokker F27 aircraft use the Standard Instrument Departure (SID) flight path used by jet aircraft, until the aircraft is above 6,000 feet, or is clear of populated areas and east of the Darling Escarpment.

Fokker F27 departures from runway 06 follow the same flight track as used by jet aircraft, to the Parkerville locator, about 9 nautical miles from the Airport, where the aircraft would normally be over 3,000 feet, before taking up their assigned track.

Departures from runway 03 turn right after passing 1,000 feet, and track direct to the Parkerville locator. This flight path is consistent with that followed by jet aircraft departing from runway 06.

Airservices advises that inbound Fokker F27 aircraft generally utilise the same Standard Terminal Arrival Routes (STARs) as jet aircraft. However, on the infrequent occasions when Fokker F27 aircraft are not able to use STAR procedures, F27s are radar vectored to join the pattern of arriving aircraft.

(5) Perth Airport management has established a Noise Management Committee (NMC) which has industry, community and government bodies represented. The NMC has developed a noise management strategy for Perth Airport and meets regularly to implement the strategy, and to address specific concerns of the community over matters such as aircraft noise.

Centrelink and Job Network: Computer Equipment
(Question No. 2034)

Ms Kernot asked the Minister for Employment Services, upon notice, on 9 October 2000:

(1) What proportion of Centrelink offices have touch screens available.

(2) What proportion of Job Network Members have touch screens available.

(3) What proportion of Job Network Members have computers with internet access for the sole use of job seekers.

(4) What days and hours is online access available at each Job Network provider.

(5) What proportion of Job Network providers have more than one internet access computer or touch screen.

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

(1) All Centrelink Customer Service Centres and Youth Servicing Units (not co-located with their Customer Service Centre Branch) are provided with touch screen units; in all 321 sites. The number of units allocated range from single units in smaller offices to over fifteen in some of the larger sites.

(2) Around 70 per cent of Job Network Members (JNMs) have touch screen units available at one or more sites.

(3) About 10 per cent of JNMs provide internet access PCs in their public area for the use by job seekers in one or more of their sites. My Department does not record specific details of IT resources made available by JNMs for use by clients undertaking job search training or intensive assistance.

(4) Online access is available through the touch screens and Internet PCs, where provided, during normal working hours by JNMs.

(5) Over 46 per cent of JNMs have more than one internet access computer or touch screen for use by job seekers.

Second Sydney Airport: Location
(Question No. 2045)

Mr Murphy asked the Minister for Transport and Regional Services, upon notice, on 11 October 2000:
(1) Is he able to say whether the Government will make a decision this year in relation to the site of Sydney’s second airport.

(2) Is he able to confirm media reports that say the Government is proposing to abandon the second airport site at Badgerys Creek.

(3) Will he confirm whether these media reports are accurate.

(4) If a second airport is not built, in light of forecast traffic movements is he able to say at what date demand at Sydney Airport will exceed its aircraft movements capacity.

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

(1) The Government is currently considering the complex issues linked to Sydney’s future airport needs and expects to announce a final decision before the end of this year.

(2) and (3) The Government has made no decision which would involve abandoning the airport site at Badgerys Creek.

(4) It has been estimated that aircraft movements at Sydney Airport will approximate the number of available slots through the morning peak in 2006 or 2007. Growth in passenger demand to and from Sydney could be accommodated beyond this time if airlines were to make changes to current aircraft types, schedules or route structures.

Centrelink: Self-Funded Retirees
(Question No. 2047)

Mr Jenkins asked the Minister representing the Minister for Family and Community Services, upon notice, on 11 October 2000:

What is the definition of “self funded retiree” used by Centrelink and does this definition include people retired for reasons other than being over 55.

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

There is no specific definition of “self funded retiree” in social security legislation, or in Centrelink’s internal policy guidelines.

Intergenerational Budget Reporting
(Question No. 2055)

Mr Latham asked the Treasurer, upon notice, on 12 October 2000:

Further to his answer to question No. 1007, (Hansard, 6 February 1997, page 435), what progress has been made in developing and publishing an intergenerational report on the long-term sustainability of government policies.

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

The form and content of the first intergenerational report is still under consideration and will be published by the required date of April 2003. As required by the Charter of Budget Honesty Act 1998, the report will assess the long term sustainability of current government policies including the financial implications of demographic change.

Department of Education, Training and Youth Affairs: Expenditure
(Question No. 2065)

Mr Latham asked the Minister for Education, Training and Youth Affairs, upon notice, on 12 October 2000:

(1) Is it the case that in its Final Budget Outcome 1999-2000 the Government reported significant expense variations in his Department.

(2) What is the amount and cause of the under-spending for (a) apprentice initiatives (b) Schools Quality Outcomes (c) the Tasmanian Training Initiative (d) the Jobs Pathway and (e) Literacy and Numeracy Training for the Unemployed.
Dr Kemp—The answer to the honourable member’s question is as follows:

(1) The reported underspend is not significant in terms of the overall appropriations available to the portfolio. The reported underspend is less than 1% of the total appropriation of just over $11 billion. Attaining an outcome which is over 99% accurate is an achievement which would be well regarded against any international benchmark.

(2)

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<tr>
<th>Programme Title</th>
<th>Underspend</th>
<th>Reason</th>
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<tr>
<td>(a) Support for New Apprenticeships</td>
<td>$71.5m</td>
<td>The primary reason for the actual expense being less than the estimated expense is that employers are not taking up, to the extent anticipated, the financial incentives available to them through the New Apprenticeships Incentive Programme. The Department is working with the New Apprenticeships Centre Network to ensure that employers are aware of their entitlements.</td>
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<td>(b) Quality Outcomes</td>
<td>$17.1m</td>
<td>The primary reason for the actual expense being less than the estimated expense is due to a six month delay in the implementation of the Quality Teacher programme as a result of longer than expected negotiations with the relevant jurisdictions. A carryover of $16.4m to 2000-01 has been approved by the Department of Finance and Administration.</td>
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<tr>
<td>(c) Tasmanian Tourism and Training Initiative</td>
<td>$3.2m</td>
<td>Longer than anticipated negotiations with the Tasmanian Department of Education resulted in a delay in the commencement of payments under this programme. A carryover of $3.2m to 2000-01 has been approved by the Department of Finance and Administration.</td>
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<tr>
<td>(d) Jobs Pathway</td>
<td>$6.9m</td>
<td>Funding allocated to the Jobs Pathway Programme has been fully committed. The apparent underspend is due to these commitments being expensed over both 1999-2000 and 2000-01 in accordance with the agreements’ payments schedules. A carryover of $6.3m to 2000-01 has been approved by the Department of Finance and Administration.</td>
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<td>(e) Literacy and Numeracy</td>
<td>$30.3m</td>
<td>Referral activity and training commencements were lower than anticipated in 1999-00 despite a significant increase over those in 1998-99. The Department is working with Centrelink to make improvements to the referral process to increase the proportion of clients who commence training.</td>
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Members of Commonwealth Parliament: Superannuation Scheme

(Question No. 2094)

Mr Latham asked the Minister for Finance and Administration, upon notice, on 30 October 2000:

Further to the answer to question No. 217, (Hansard, 8 February 1999, page 2165), has the Government now decided on a review of the Parliamentary Superannuation Scheme?

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

The Government will give further consideration to parliamentary superannuation arrangements in due course.
Commonwealth Scientific and Industrial Research Organisation: Expenditure
(Question No. 2108)

Mr Laurie Ferguson asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 1 November 2000:

1. What was the amount of actual expenditure by the CSIRO on the forestry, wood and paper industries sector in (a) 1995/96, (b) 1996/97, (c) 1997/98, (d) 1998/99 and (e) 1999/00.

2. What is the planned level of expenditure on the sector for 2000/01.

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

1. (a) The actual expenditure in 1995/96 was $23,783,690
   (b) The actual expenditure in 1996/97 was $23,725,124
   (c) The actual expenditure in 1997/98 was $20,759,625
   (d) The actual expenditure in 1998/99 was $19,343,079
   (e) The actual expenditure in 1999/00 was $26,564,412


Department of Immigration and Multicultural Affairs: Administrative Warnings
(Question No. 2112)

Mr Sciacca asked the Minister for Immigration and Multicultural Affairs, upon notice, on 2 November 2000:

1. In what circumstances will his Department be issuing Administrative Warnings to employers of illegal workers after 1 November 2000.

2. Will employers receiving Administrative Warnings (a) incur a financial penalty or (b) incur any other type of penalty or liability.


4. During (a) 1996-97, (b) 1997-98, (c) 1998-99 and (d) 1999-2000 (i) how many employers received warnings for hiring illegal workers, (ii) how many employers were prosecuted for hiring illegal workers and (iii) what industries were involved.

5. What sum has been allocated within his Department’s budget for 2000-2001 for information campaigns aimed at educating employers on the problem of illegal workers.

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

1. No warnings will be issued prior to 30 November 2000. After that date, warnings may be issued to employers or labour suppliers who recruit or supply for labour persons who are not authorised to work in Australia. Warning notices would not be issued in situations where the employee was employed/supplied for work before 30 November 2000, where less than two working days had elapsed from the day when the employee was employed or referred for work and the location of the illegal worker, or where the employer/labour supplier had made an honest and reasonable mistake in checking whether the employee was authorised to work in Australia.

2. Employers and labour suppliers who are issued with a warning notice will not incur any type of penalty or liability. They will be warned that a scheme of sanctions is proposed to be introduced into Parliament, and that they may be liable to incur penalties should they be alleged to be employing or supplying illegal workers after the legislation takes effect. They will also be informed that the fact that a warning notice had been issued to them may be taken into account in deciding what should occur (ie whether they will receive another warning or will be issued with an Infringement Notice or will be prosecuted) in situations of alleged similar conduct by them after the proposed scheme is introduced.
(3) The detection of illegal workers is undertaken as part of DIMA’s responsibility to locate all people breaching visa conditions. The total cost of output component 1.3.3 Detection Onshore was $24.938 million in 1999-2000 and projected to be $25.627 million in 2000-2001. In addition, for 2000-2001, $6.38 million has been allocated towards the development of new measures to enhance the awareness of illegal work issues, and to target illegal workers, their employers and labour suppliers.

(4) During the stated years there were no warning notices issued to employers of illegal workers and no employers were prosecuted for hiring illegal workers. The administrative scheme of warnings will be introduced later this year as a means of increasing employers’ and labour suppliers’ awareness of illegal work issues and of their responsibility to check that the people they are recruiting have the right to work here; and to underpin the proposed system of sanctions, that had been recommended in 1999 by the Review of Illegal Workers in Australia.

(5) For 2000-2001, there has been $0.6 million allocated for information campaigns aimed at educating employers and others on the problem of illegal workers.

**Australian Broadcasting Corporation: Online Activities**

*(Question No. 2120)*

**Mr Murphy** asked the Minister representing the Minister for Communication, Information Technology and the Arts, upon notice, on 2 November 2000:

Will the Minister allow the Australian Broadcasting Corporation to become a fully-fledged business in e-commerce, deriving advertising revenue from its web sites or associated web sites.

**Mr McGauran**—The Minister for Communications, Information Technology and the Arts has provided the following answer to the honourable member’s question:

The ABC is an independent statutory corporation established under the Australian Broadcasting Corporation Act 1983. The Government has no role in programming or operational matters. Section 25 of the Act empowers the ABC to enter into contracts, acquire and dispose of property and do other things incidental to its powers. It is the responsibility of the ABC Board to ensure that any activities undertaken by the ABC, including any online activities, are consistent with the Act and do not in any way affect the ABC’s editorial independence.