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The House met at 9.30 a.m.

The CLERK—I inform the House of the absence of the Speaker. In accordance with standing order 14, the Deputy Speaker as Acting Speaker will take the chair.

Mr ACTING SPEAKER (Mr Nehl) thereupon took the chair, and read prayers.

Fuel Excise
Suspension of Standing and Sessional Orders

Mr CREAN (Hotham) (9.31 a.m.)—I move:

That so much of the standing and sessional orders be suspended as would prevent notices Nos 1 and 2 standing in the name of the Leader of the Opposition for 5 March 2001 and concerning the introduction of bills to provide immediate relief from the $1.5 million a day slug on motorists being collected as a result of the 1 February excise rate increase for petroleum and the related customs rate increase:

(1) being called on forthwith;
(2) being presented by the Deputy Leader of the Opposition; and
(3) passing through all stages without delay.

Cabinet was in petrol panic this morning. It should support Labor’s—

Motion (by Mr Hockey) put:

That the member be not further heard.

The House divided. [9.36 a.m.]

(Mr Acting Speaker—Mr G.B. Nehl)

Ayes.............. 72
Noes..............  61
Majority.........  11

AYES

NOES

Mr ACTING SPEAKER—Is the motion seconded?

Mr McMULLAN (Fraser—Manager of Opposition Business) (9.41 a.m.)—You all know this is the right thing to do. Don’t wait for the Ryan by-election—

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

The House divided. [9.42 a.m.]

(Mr Acting Speaker—Mr G.B. Nehl)

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

The House divided. [9.44 a.m.]

(Mr Acting Speaker—Mr G.B. Nehl)

Ayes........... 61

Noes........... 72

Majority......... 11

AYES

Adams, D.G.H. Albanese, A.N.

Bevis, A.R. Byrne, A.M.

Burke, A.E. Cox, D.A.

Corcoran, A.K. Crosio, J.A.

Crean, S.F. Edwards, G.J.

Dunby, M. Emerson, C.A.

Ellis, A.L. Ferguson, L.D.T.

Evans, M.J. Fitzgibbon, J.A.

Ferguson, M.J. Gibbons, S.W.

Gerick, J.F. Griffin, A.P.

Hall, J.G. Hatton, M.J.

Hoare, K.J. Hollis, C.

Horne, R. Irwin, J.

Jenkins, H.A. Kernot, C.

Kerr, D.J.C. Latham, M.W.

Lawrence, C.M. Lee, M.J.

Livermore, K.F. Macklin, J.L.

McClelland, R.B. McFarlane, R.F.

McLeay, L.B. McMullan, R.F.

Melham, D. Morris, A.A.

Mossfield, F.W. Murphy, J. P.

O’Connor, G.M. O’Keefe, N.P.

Price, L.R.S. Quick, H.V.

Ripoll, B.F. Roxon, N.L.

Sawford, R.W * Sciacca, C.A.

Sercombe, R.C.G * Sidebottom, P.S.

Smith, S.F. Snowdon, W.E.

Swan, W.M. Tanner, L.

Thomson, K.J. Wilkie, K.

Zahra, C.J.

Gambro, T. Gash, J.

Georgiou, P. Haase, B.W.

Hardgrave, G.D. Hawker, D.P.M.

Hockey, J.B. Hull, K.E.

Jull, D.F. Katter, R.C.

Kelly, D.M. Kelly, J.M.

Kemp, D.A. Lawler, A.J.

Lieberman, L.S. Lindsay, P.J.

Lloyd, J.E. Macfarlane, I.E.

May, M.A. McArthur, S *

McGauran, P.J. Nairn, G. R.

Neville, P.C. Nugent, P.E.

Prosser, G.D. Pyne, C.

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. Stone, S.N.

Sullivan, K.J.M. Thompson, C.P.

Thomson, A.P. Truss, W.E.

Tuckey, C.W. Vaile, M.A.J.

Vale, D.S. Wakefield, B.H.

Washer, M.J. Williams, D.R.

Wooldridge, M.R.L. Worth, P.M.

PAIRS

Howard, J.W. Beazley, K.C.

Fahey, J.J. O’Byrne, M.A.

Moylan, J. E. Plibersek, T.

* denotes teller

Question so resolved in the negative.

PRIMARY INDUSTRIES AND ENERGY RESEARCH AND DEVELOPMENT AMENDMENT BILL 2001

First Reading

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

Second Reading

Mr TUCKEY (O’Connor—Minister for Forestry and Conservation and Minister Assisting the Prime Minister) (9.47 a.m.)—I move:

That the bill be now read a second time.

The Primary Industries and Energy Research and Development Amendment Bill 2001 places the Forest and Wood Products Research and Development Corporation on a much more secure footing to provide a strong, national focus to forest R&D by increasing the Commonwealth contribution to the corporation from July 2001.
The Primary Industries and Energy Research and Development Act 1989 inaugurated a major delivery system for rural research and development through a series of R&D corporations financed by industry levies and matching government contributions.

Many primary industry producers lack the size to individually undertake R&D activities necessary for the long-term development of their industries. Governments have recognised this situation and developed, with industry, a mechanism whereby levies and charges are imposed and administered by the Commonwealth at the request and on behalf of industry organisations. The Primary Industries and Energy Research and Development Act established, and now governs the operation of, this R&D delivery mechanism.

When the Forest and Wood Products Research and Development Corporation was established in 1994, the Primary Industries and Energy Research and Development Act was amended to provide a specific funding arrangement for the forest sector of $1 from the Commonwealth for every $2 from industry. This was half the rate for all other R&D corporations to which a levy is attached under the act. I can only assume, Mr Acting Speaker, that the government of the day took that decision because it was dealing with trees. As you would well know—and have no doubt represented to your own constituents—the normal arrangement is $1 of Commonwealth money for every $1 contribution from industry.

This policy was based on the belief that dollar for dollar funding should be confined to the rural and primary production part of the industry. It was suggested that the Commonwealth should not match R&D expenditure in the processing and manufacturing part of the forest and wood products industry. The suggestion was that when one makes a levy payment on raw wool it traditionally gets spent on wool processing technology.

There is, however, no significant difference in industry structure between forests and any other food crop or fibre industry covered under the Primary Industries and Energy Research and Development Act arrangements.

The Forest and Wood Products Research and Development Corporation, like all other R&D corporations, funds research into production, processing and marketing links in the chain.

In common with other primary industries, timber processors and wood product manufacturers often tend to be small, competing enterprises that are difficult to organise and that find it difficult to fund and capture the benefits of R&D.

The arbitrary separation of the forest and wood products sector into rural-primary production and manufacturing components is inconsistent with modern approaches to resource industries. This government is actively encouraging rural industries to move towards a ‘whole-of-chain’ approach to industry planning and development. Whole-of-chain planning encompasses sustainable resource use, production, processing, storage, transport, marketing and usage, plus promotes the linkages in the chain.

In the forest and wood product sector, I am working with industry on an action agenda to engender a more innovative and outward looking industry on a whole-of-chain basis. Artificial divides between primary production and manufacturing components of the sector are inconsistent with this action agenda.

In 1999-2000, Australia imported $3.8 billion mainly paper and high value products and exported $1.6 billion of forest and wood products—mainly woodchips and roundwood. Yet, with our extensive forest resources, Australia should be in a position of exporting a wider range of high value products to redress this imbalance.

R&D on forest and wood products is vital if Australia is to reverse the current trade imbalance in trade in these products. Forest R&D has the potential to create sustainable, long-term competitive advantage for the industry, particularly for higher value products. This bill is therefore a vital component of the forest and wood products action agenda.
Since 1997, the Commonwealth has supplemented the funding arrangement under the act to bring Commonwealth contributions to 49 per cent of the Forest and Wood Products Research and Development Corporation revenue. The main source of these additional funds, the Wood and Paper Industries Strategy, WAPIS, operated from 1996 to June 2000.

The conclusion of WAPIS coincides with a number of other developments that could jeopardise continuing investment in forest R&D. Following the conclusion of regional forest agreements, there has been a significant reduction in the state forest commercial estate. At the same time, there are an increasing number of small private growers establishing plantations and managing commercial stands of native timber.

A strong forest and wood products R&D corporation is required to prevent greater fragmentation in the forest and wood products industry and consequently reduced R&D investment, particularly for broader national, strategic and public good research.

The Primary Industries and Energy Research and Development Amendment Bill 2001 is a timely demonstration of Commonwealth support for strategic, innovative and high quality R&D in the forest and wood products sector. It closely follows the innovation action plan launched recently by the Prime Minister, and it demonstrates strong government support for the Forest and Wood Products R&D Corporation. This support is likely, in turn, to ensure continuing industry support.

The increased funding, which, of course, brings the contribution up to a dollar for a dollar, will underpin a range of commercially viable projects to create greater value for our native timber resources, while developing new opportunities for our expanding plantation base. The bill will ensure continuing investment in forest research and development, particularly for whole-of-chain, national and strategic research.

I would like to take the opportunity to inform the House that, in line with this additional funding, through the effluxion of time I have had the opportunity to appoint a new chairman to the FWPRDC, which is the corporation to administer these research funds, and I would like to record my thanks in this House to Mr Thorry Gunnersen for accepting that position. Mr Gunnersen, of course, is a senior executive of one of the very large forest industry family groups, which are a significant feature of the forest industry—how often, in the smallest or largest sawmill, we meet grandfather, father and son all operating in the same arrangement. Mr Gunnersen is well known and has held international chairmanships of forest industry bodies and therefore brings a huge experience to this particular job. He has commenced his duties and I am very happy that he has done so and that he is clearly taking a great interest in this responsibility.

I will make this point: around the world many traditional glues are used in forest products, and they have all been designed, basically, with Northern Hemisphere softwoods in mind. They are based on formaldehyde, which is not exactly a product that one likes to sleep next to when the bedhead is made of wood, yet most of those glues are not compatible with Australian hardwoods. There is a magnificent research opportunity because, not withstanding an exercise that occurred in this place yesterday, woodchip is the base material for panel board and is the best way to utilise a tree, particularly one that might not have grown square—in other words, one that has not grown straight enough to go in a sawmill. There are huge opportunities in such basic issues as the fundamentals of a new glue product. I am sure that the research group will be looking at that particular problem.

The bill simply but effectively removes an anomaly that has existed in R&D funding under the Primary Industries and Energy Research and Development Act 1989 since 1994. It does not affect the arrangements for all the other R&D corporations under the Primary Industries and Energy R&D Act. I present the explanatory memorandum to the bill and commend the bill to the House.
Debate (on motion by Mr Bevis) adjourned.

**AIRCRAFT NOISE LEVY COLLECTION AMENDMENT BILL 2001**

**First Reading**

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

**Second Reading**

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (9.58 a.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to correct an administrative oversight which resulted in Sydney (Kingsford-Smith) Airport not being declared as a ‘leviable’ airport after 30 June 1996.

The parent legislation, the Aircraft Noise Levy Collection Act 1995 (the collection act) and the Aircraft Noise Levy Act 1995, established a regime by which an aircraft noise levy can be imposed and collected at certain airports.

The funds that are raised through the levy are used to recover the costs incurred in providing an airport noise amelioration program. In the case of Sydney, the levy raises around $38 to $40 million per annum and as at 31 January 2001 had raised a total of $197 million. Meanwhile, expenditure on the program to 31 January 2001 was $347 million. This has enabled over 3,300 homes and over 80 public buildings to be noise insulated around Kingsford Smith airport.

Depending on future expenditure and recovery levels, it can be expected that the levy will need to continue for another five years.

The declaration of an airport as leviable, under section 7 of the collection act, is the trigger which enables the levy to be collected. In 1995, Sydney airport was declared as leviable for the nine months to 30 June 1996. However, there was no subsequent declaration. This was due to an administrative oversight within the Treasury which failed to have the responsible minister declare Sydney airport from 1 July 1996.

This bill will correct the oversight by deeming a declaration to have been in place from 1 July 1996. In order to validate prospective collections, the Assistant Treasurer on 21 February gazetted Sydney as a leviable airport up to and including 30 June 2006.

The amendment will not involve any departure from the purpose of the legislation and imposes no additional burden on airline operators or other businesses.

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

Debate (on motion by Mr Bevis) adjourned.

**WORKPLACE RELATIONS AMENDMENT (UNFAIR DISMISSAL) BILL 1998 [No. 2]**

**Second Reading**

Debate resumed from 29 November 2000, on motion by Mr Reith:

That the bill be now read a second time.

Mr BEVIS (Brisbane) (10.02 a.m.)—This bill, the Workplace Relations Amendment (Unfair Dismissal) Bill 1998 [No. 2], and the issues it addresses have been before this parliament on no fewer than three occasions since the last election—indeed, it was dealt with in the previous parliament—and it has been rejected on every one of those occasions. During the course of this parliament, the government after the last election introduced this bill in 1998. It was opposed by Labor, it was opposed by a majority in the Senate, it was the subject of a quite damning report from the Senate committee and it was rejected by the parliament.

Following that rejection, the then minister, Mr Reith, decided he would try and implement these measures by stealth. Members will recall that just before Christmas, literally a matter of days before Christmas, in 1998 the minister sought to introduce provisions of this bill by way of regulation and sought to make changes to the rights of workers by taking those decisions through a back door without parliament’s scrutiny. That was deliberately done a couple of days before
Christmas in the hope that it might pass without notice. It did not, and when the parliament resumed in 1999 the Labor Party moved immediately to disallow those regulations, and we were successful.

The government has now decided it wishes to pursue this matter again and reintroduces this bill. No doubt it was originally intended as a double dissolution trigger, although in the light of recent political events one wonders whether the Prime Minister would be too keen on taking up that double dissolution option this side of 30 June, which is, of course, the last date on which a double dissolution could constitutionally be held.

It is important to note at the outset that this bill does not in fact deal with changes to Labor’s previous industrial relations laws. This bill seeks to change the Liberals’ laws. This bill seeks to change the law as adopted by this parliament, approved by the government—the government’s own laws. At the time that 1996 bill went through, at the time the government’s first wave of reforms went through, the then minister, Mr Reith, had this to say in the parliament on 21 November 1996. He was referring specifically to these issues. He said:

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

That is what he said. In 1996 the minister and this government hailed their laws as the solution to the problem. They sought to paint Labor’s laws in an evil light, put through their own laws and proclaimed that they had ‘delivered a workable system for dealing with unfair dismissal on the basis of a fair go all round’. Ever since then, they have stood in this parliament on four occasions, as I have said, and tried to change their own laws. Every time a Liberal or National Party member gets up in parliament in this debate and tells us what is terribly wrong with the laws, they need to understand that the law they are decrying is their own. For many of them it is the law they voted for. For many of them it is the law they spoke on and supported in this parliament. It would be an interesting exercise to actually get from Hansard the speeches that those Liberal and National Party members made in 1996 and quote back to them their words in the debate on this issue. That would highlight the double standards and duplicity that this government brings to this debate on unfair dismissal laws.

We should never forget what is at the heart of this. At the heart of this government’s bill is an effort to take away from ordinary workers, in many cases the lowest paid workers in our community, their protection against unfair dismissal, that is, to enable an employer to sack them unfairly and give that worker no recourse and no rights whatsoever. That is what this bill seeks to do to those people who are employed by small business. I will go through that in some detail shortly. Before I do, I just want to remind the parliament that, when the government introduced its legislation in 1996 and proclaimed it as having solved the problem, it was amending not Labor’s first set of laws but its second set of laws in relation to unfair dismissal. The previous Labor government introduced unfair dismissal laws which were put through this parliament in 1994. They were seen to operate in a way that was not intended by the government of the day, so, prior to losing office in 1996, the Labor Party itself amended those laws to take account of the concerns that had been expressed, particularly by the business community, as they had been found to produce some outcomes that were not intended.

When the Liberal government came to office in 1996, they had a modified set of laws. They now argue that they were wrong in 1996, that everything they told us in 1996 was false. They now want to change all of that. They say that they need to do that because there is an important employment imperative: if the parliament does not pass these laws, we are going to deny tens of thousands of Australians an opportunity to work. There are some interesting statistics about this whole matter. No matter which statistics you look at, none of them supports the government’s arguments. If there is a link between unfair dismissal laws and employment, then it is passing strange that, after
Labor introduced its unfair dismissal laws in the financial year 1993-94, unemployment fell. Bear in mind: they were the first draft of Labor’s unfair dismissal laws, which were actually more generous to the workers than the set of laws that were in place when we left office.

In 1993-94, the unemployment rate was around 10 per cent. A year later—that is, after one year of having unfair dismissal laws operating—unemployment had dropped from 10 per cent to 8.4 per cent. A year after that when unfair dismissal laws had been in place for two years, unemployment was again at 8.4 per cent. So for two years after Labor brought in unfair dismissal laws, unemployment fell. Yet the argument which the government use as the imperative for taking away these rights of workers is that they have to do it to help jobs growth. In fact, jobs grew after we introduced the unfair dismissal laws. That is the fact.

The other interesting fact about unemployment is revealed in the figures for the first year after we lost office, that is, after this government was elected and introduced its Workplace Relations Act. In the year 1996-97, the first year of the Howard government, unemployment went up. If you want to draw a direct correlation between these things—and I am not arguing that there is a tight correlation, but the government does—and you take the government’s argument, the correlation works out this way: Labor introduced unfair dismissal laws and unemployment went down for two years; the Liberal Party introduced their industrial laws and a year later unemployment went up. So the argument the government advance is not supported by the facts.

The government have now gone beyond that. The government do not just argue that this creates jobs; they tell us how many it will create. The Prime Minister and the former Minister for Employment, Workplace Relations and Small Business have said in this place that they will create 50,000 jobs if only we will let this through the parliament. That 50,000 jobs is a figure plucked out of the air. What does the government use to substantiate this figure of 50,000 jobs? They use a public statement made by Mr Bastian, the spokesperson for the Council of Small Business Organisations of Australia. How did Mr Bastian arrive at the figure of 50,000? He guessed it. He took a punt. He thought that one in every 20 businesses would employ an extra person if we were to pass this bill. When this matter was before the parliament on an earlier occasion, I had a long discussion with Mr Bastian about this. It is fair to say that he and I did not agree on the matters we discussed, but during the course of that conversation he admitted to me that there had not been any survey. There had been no research. He had not rung up anyone, let alone conducted any empirical research. He took a guess. He did not even write it on the back of an envelope. There was no research and no analysis.

The figure is just the number of jobs which he thought would be created. Mr Bastian is entitled to take a punt on it—I do not criticise him for that. What I do criticise is the Prime Minister of Australia and the Minister for Employment, Workplace Relations and Small Business repeatedly referring to that 50,000 jobs as if the figure were gospel, as if this bill would absolutely create 50,000 jobs. Not long after that in December 1998 the minister at the time, Mr Reith, was asked a question on notice by my colleague the member for Barton who said, ‘Exactly where are these 50,000 jobs going to come from?’ In reply to that question on notice, Minister Reith said:

It is not possible to specify the number of small businesses which would directly benefit from the government’s proposed exemption from unfair dismissal laws for small business.

So when pressed to give a formal answer on notice, even Mr Reith had to confirm that there is no justification for their rhetoric. Various members of the government and ministers have wanted to quote the spot polling that is done from time to time. I have had a close look at some of the polls. Quite frankly, a few of them are discredited—they fall into the category of push polling. There is without doubt one piece of research in industrial relations which stands above all else,
that is, the Australian Workplace Industrial Relations Survey, AWIRS. That survey is acknowledged on all sides of this debate to be the most authoritative piece of research into workplace activities in Australia—the largest sample with the most detailed questions. It asked employers what they thought were reasons that affected their decisions to employ people. I want to quote the results of that survey because they are illuminating. In that survey, small businesses, exactly the firms affected by this bill, were asked, ‘What were the reasons for not recruiting employees during the previous 12 months?’ The response ‘Don’t need any more employees’ was given by 66 per cent. Two-thirds said that they did not employ any more people because they did not need any more people—that stands to reason. The next response, ‘Not recruited due to insufficient work,’ was given by 23 per cent. I guess that is another way of saying the same thing. So 89 per cent responded to the question by saying, ‘We don’t intend to employ anyone because there is not enough work and we do not need them.’ There was a response received from that survey of small business employers that did identify unfair dismissal laws. So it is true, according to this survey, that some people would not employ a person due to the unfair dismissal laws. The response to that question amounted to 0.9 per cent, that is, less than one per cent of small businesses said that their decision to employ a person was influenced by unfair dismissal laws.

I want to point out to the House that this survey was actually undertaken when the unfair dismissal laws in place were Labor’s toughest laws. Since that survey was undertaken, Labor changed the laws to address some of the concerns that employers had raised with us, and of course since then the government has introduced its own laws which Minister Reith has said are a fair go all round and solve the problem. So it is fair to assume that that figure in fact overstates what is the current situation. A more recent survey has come to my attention that was conducted only this month in Victoria. That looked at the small business attitude to industrial relations in Victoria. That was done more particularly because of the debate in Victoria at this time over their state industrial relations system. This survey has only been released, I believe, in the last 10 days. Again, small businesses only were asked to indicate the degree to which 11 different things affected their businesses. Do you know what was top of that list? The GST. When small business was asked, ‘Of 11 things—and unfair dismissals was one—what influences you more than anything else,’ 83 per cent said ‘the GST’. Out of the 11 things—GST, government regulations, labour costs, rent/leases, labour skills, taxation other than GST, market for products, interest rates, vocational training, industrial relations generally and unfair dismissals—do you know where unfair dismissals came? It came last. It was the least significant of 11 items.

If this government were fair dinkum about wanting to do something to help relieve the problems confronting small business today, the first thing it could do would be to roll back the GST more than it has already because in every survey I have seen of small business, when asked these questions, they put GST at the top of the list. The survey done very recently in the state of Victoria of small businesses—which is exactly the target group—shows that their biggest problem is the GST. Out of 11 things, what do they say is the least significant thing affecting them? Unfair dismissals. And what is this government going to do? It is going to pursue its unfair dismissal bill. Why is it going to do that? Not because it makes one bit of difference to the profitability and employment operations of small business, but because it has an ideological obsession about pursuing workers’ rights. This government has an ideological obsession about reducing the rights available to ordinary men and women who work in Australia.

To illustrate that a little more, I want to refer to some information that is actually in one of the Senate reports. This is an issue that I know has been pursued by Democrat Senator Murray with some vigour over the course of the last couple of years, and I think he has been absolutely right to do so. It looks
at the actual number of applications there have been. How big is this issue of unfair dismissal in federal law? How many people apply alleging unfair dismissal? We have to distinguish here between state and federal jurisdictions. We must remember that the states also have industrial laws, and they also have unfair dismissal laws. They are different from the Commonwealth laws, and they differ one from the other. In fact, they have had unfair dismissal laws for donkey’s years, for generations. We have had unfair dismissal laws for only about the last six or seven years in the federal jurisdiction, but the states have had this provision virtually forever. I might say that it has not caused the sky to fall in on any business operations over the last couple of generations because every state has had these facilities available to people who have been sacked unfairly.

When you look at the federal area, in 1998—which is, I am afraid, the last year I have figures for—the total number of applications dealing with unfair dismissals was 2,861 in the entire country. If the government are going to get the 50,000 jobs the Prime Minister and the minister continually tell us they will get, to get those 50,000 jobs spread across each of the states, in a state such as New South Wales they will have to get an extra 16,000 jobs. Do you know how many applications there were in New South Wales? There were 304 applications. The government would have us believe that if only those 304 people had not sought to get their jobs back because they had been sacked unfairly there would be an extra 16,000 jobs in New South Wales. That is farcical. But there are better examples to demonstrate how ludicrous the government’s position is. To get 50,000 jobs across Australia you would need to generate, on a pro rata basis, 4,000 jobs in South Australia. In 1998 in South Australia there were 20 applications regarding unfair dismissal. But the government would have us believe that for every single application lodged, if only it had not been lodged, 200 jobs would have been created: 200 jobs for every application not lodged—what patent nonsense! In my home state of Queensland you would need to create 9,500 jobs if you wanted to end up with a total of 50,000 in the country. In Queensland the total number of applications was 93. So in Queensland, for every application that did not go in, you would have to create another 102.2 jobs. I do not think there is a person in Australia who believes that.

Let us look at the total number of small businesses where there have been federal unfair dismissal applications and compare what has happened since 1996 with 1998. For the entire year of January to December 1996, there were actually 4,500 applications affecting small business. For the year January to December 1998 that number had dropped to 2,861—that is, there has been a major drop over the course of the last couple of years in the number of people even applying. The government would have us believe that this is a major impediment to employment, when it is clearly not. The government would have us believe that this is a growing problem, when the facts tell us that about half the number of people are applying for unfair dismissal now as applied in the year 1996. There is not a pressing need or a business case for these matters to be dealt with.

I want to talk about some of the flaws in this legislation. This bill provides a loophole through which any company could drive the proverbial semitrailer. It allows a company that is a small business employing only a comparatively small number of people to be free to unfairly sack its workers and get away with it. It is a law which would see workers denied the opportunity to protect themselves against unfair dismissal. It is argued that we need to do this to look after small business employers and to create jobs. We know that companies do not all behave as scrupulously as they should. Most do, but there are too many who do not. We saw what happened in the Patricks waterfront dispute, where the company contrived a restructure and put its employees in one of its shelf companies so that when the company went broke, deliberately, the workers would never be able to get their entitlements, because the company that legally employed them had no money. That was the subject of a debate ear-
lier this week on a private member’s bill I introduced, but it is also relevant to this debate, because this bill invites companies to employ people under shelf companies like this. So if you had 100 people employed in an enterprise—and they might all wear the same uniform, be in the same factory, and might even think they are working for the same company—they could be working for 10 different shelf companies.

I know there are people who will say that is fanciful, so I will give you a current example. We know it happened in Patricks. Let me give you another example. Steel Tank and Pipe—STP—is a company in New South Wales that has laid off its workers, who are currently fighting to get their legal entitlements, just their pay back, because it said it could not afford to pay them and it has gone broke. We have discovered that that organisation has 12 shelf companies, and of those 12 shelf companies it looks like five of them are actually being used as employers. So those workers all work at the same place—they all work for STP. They all thought they had the same boss. They all thought they were being paid from the same company. They were not. At least five shelf companies were being used and they were divvied up amongst the five shelf companies as a con trick, as a means of safeguarding the employer against having to pay his legally responsible payments to the work force.

There is no doubt that this bill would provide a loophole through which those sorts of operators would readily rush. They would put people in those shelf companies and then sack them at will. And those workers—even if they had been unfairly sacked, even if you could prove in a court that they had been unfairly sacked—would be entitled to nothing, nothing at all.

The government, of course, endeavour to put their spin on all of this, and I referred to the question of jobs and the fallacy there and the growing problem they claim it presents and the fallacy there, but if the government really wanted to do something about labour productivity they would be better advised to look at the advice of their own Minister for Health and Aged Care. The Minister for Health and Aged Care in this parliament, in answer to a dorothy dix question, made this observation:

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

That is a very startling assessment. In two weeks we lose more productivity, more days lost out of depressive illnesses, than in an entire year out of strikes. That is not all illnesses, that is not all occupational health and safety related days off; that is just depressive illness. If the government were serious about improving productivity and being a decent regulator of workplace relations rather than the biased divisive approach they have adopted, they would actually want to improve occupational health and safety and address things like depressive illnesses, which cost our nation much more in productivity and dollars than all of these matters that they have been pursuing. But, alas, they have little interest in following through on those matters.

I know from comments that have been made prior to this that the government have also clung to some of the findings in the more recent Senate inquiry into this bill in 1999. Indeed, the former Minister for Employment, Workplace Relations and Small Business, Minister Reith, had this to say:

Last year a majority report of a Senate committee recommended that the bill be passed without amendment. Despite this, Labor and the Democrats still claim that there is no evidence linking the impact of unfair dismissal laws on hiring intentions by small business employers.

I have demonstrated that there is no evidence for that. Of course, the Senate committee to which the minister refers did side with the government. There is no surprise in that: a majority of members on that Senate committee were Liberal-National Party members.

I have demonstrated that there is no evidence for that. Of course, the Senate committee to which the minister refers did side with the government. There is no surprise in that: a majority of members on that Senate committee were Liberal-National Party members.

It would have been more surprising if the Liberal-National Party senators had decided to cross the floor. In the current climate, anything is possible, but at that stage they were not of such a mind.
The other interesting thing about that Senate report is that the government sought to turn a failure into a positive. The minister said:

Indeed, after months of complaining that no such evidence existed, the Labor Party even opposed the government bringing real small business employers before the Senate committee as part of its submission to give their evidence first hand.

He then claimed that demonstrated we had a closed mind. Of course, the reason those small business people did not get to give their submission is that the government arranged to bring them along—and this is one of those monumental blunders that governments make from time to time—and they could not give evidence. The government decided that they would hand-pick these people. They flew them up and brought them along to the Senate inquiry. But they did not do their homework, because the Senate committee was then advised that these people who were fronting up before it had live actions before the Industrial Relations Commission which precluded them from giving evidence. The matter of the department presenting these witnesses to the Senate inquiry was actually referred to the Senate Standing Committee of Privileges, where Labor’s objections were vindicated. These people were not stopped from giving evidence because we were concerned about what the evidence might show; they were hand-picked by the government—and the government could not even get that right in this debate—and flown up from Adelaide. I think it was, only for the committee to discover they could not give evidence because it breached the Senate’s own procedures.

Mr Fitzgibbon—How much did that cost?

Mr BEVIS—Indeed! What a total bodge-up that was. In the remaining minute or two left, I should seek to address a couple of things that I anticipate that those on the government benches might refer to, because it has been done in other debates. I have heard the government members in the past tell us how they had a mandate for this—that has been mentioned on a number of occasions. I want to refer the members on the government benches to the advice of their own Prime Minister about a mandate. This is what John Howard said about mandates:

The mandate theory of politics from the point of view of proper analysis has always been absolutely phoney.

So says Prime Minister John Howard. In fact, he made that comment during the debate on the Australia Card Referendum Bill 1987, when he was on this side of the House and thought that that was a more appropriate, honest position to take. So those who want to subscribe to the mandate theory had best first check with the Prime Minister.

Before I go on to talk about Mr Reith, who also made comments about that, I will move the amendment to the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] which is standing in my name:

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

(1) increased job security for all Australian workers;
(2) protection for workers from harsh, unfair or unreasonable dismissal, regardless of the size of the business;
(3) ready access for all workers to an affordable and fair industrial umpire to deal with unfair, unreasonable or harsh dismissal; and
(4) repeal of paragraph 170CC(1)(a) of the Workplace Relations Act 1996 to give workers engaged under a contract of employment for a specified period of time or a specified task protection from unfair, unreasonable or harsh dismissal”.

I will finish by referring to Mr Reith’s comments. He said:

When the founding fathers established the terms of both Houses they did so on the basis of a mandate at different points in time for both chambers. That system was established as a means of buttressing the essential characteristic of the Senate as a House of review.

So we have none other than Mr Reith putting to rest the mandate theory. Clearly the other house has a mandate, according to Mr Reith. They have exercised it on a number of occasions, and they will do so again on this occa-
sion. This government cannot be trusted in industrial relations. It has been divisive and biased. Every Australian knows in their heart that there is a better and fairer way of conducting industrial relations, and Labor intends to put that in place after the next election.

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

Mr Fitzgibbon—I second the amendment.

Mr HARDGRAVE (Moreton) (10.32 a.m.)—I am pleased to rise to contribute to this debate on the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2], as I have done on previous occasions. The government has been full steam ahead in its efforts to fulfil its obligation to the growth sector of our economy, the small business sector. This government has shown itself to be pro jobs, pro worker and pro small business in deliberate ways throughout its time in office. Its ongoing efforts to try to force the Senate, in particular the Democrats, to think again about their anti-small business, anti-jobs, anti-workers stance against this legislation are most important indeed.

No small business in my electorate gets rid of workers that are doing a good job. No small business wants to dismiss good staff. No small business wants to dismiss staff who are being productive, who are producing results to the mutual benefit of the owner of the enterprise, the investors in the enterprise and, of course, the workers in the enterprise. Only one group in the community seems to be against this kind of legislation—legislation which will, following the royal assent, create 50,000 new jobs by sending a signal to the small business sector that it is okay to hire again, that if you hire somebody who does not work out you can change your mind, dismiss them and find somebody else. That group is the union movement and the union bosses, who drive around in their 7-series Beammers. I remember seeing the now member for Batman years ago when he was the ACTU president—I will never forget that image. Of course, when I say the ‘union movement’, I mean their elected apparatchiks in the form of the Australian Labor Party in this place.

It is a crying shame that the productive members of our society, those who are willing to put their houses on the line to invest in an idea, to invest in themselves, to create a small business out of nothing and to hire people to share in the rewards that may come from that idea, from that inspiration, from that perspiration and from that investment are so heavily penalised and so constantly penalised by the Australian Labor Party. It is of no surprise to members in this place and those who take very close notice of these debates that the Australian Labor Party have confessed that they are not a small business party by any stretch of the imagination. So what does that really mean? Being ‘not a small business party’ means the following: it means that they are not in favour of personal endeavour; it means that they are not in favour of reward for effort; it means that they are not in favour of people investing in themselves, taking an idea, putting effort in, putting capital in, creating jobs. The bottom line is that it means they are not in favour of 50,000 new jobs being created in an environment of greater certainty for those who do make the effort to invest in a small business in this country. That is 50,000 new jobs on top of the 800,000 new jobs created by this government in five years—

Mr Anthony—How many jobs?

Mr HARDGRAVE—Fifty thousand, Minister. Fifty thousand new jobs are being sacrificed on the altar of the ALP’s political expediency with regard to their political masters, the union bosses in this country.

On numerous occasions on industrial relations matters in this place I have said that I am not against unions. I once belonged to a union—the old AJA, the Australian Journalists Association. But it has gone the way of just about every other noble organisation and has become part of some mega-organisation. The concept of big unions staffed by professional apparatchiks who proceed to draw a wage—and a big wage at that—because of their enforcement of their opinion, their role, their views on the average worker, who is
forced, coerced, into joining the unions, is an absolutely downright un-Australian concept.

No-one disagrees that on a workplace by workplace basis—and I am talking of an enterprise, an individual business by individual business basis—if workers choose to negotiate jointly, they should be able to do so. This government has never stopped that. Every bit of industrial relations legislation that we have brought into this place has enforced the right of individual workers to make just that choice. I do not understand why union bosses and their politically elected apparatchiks in this place choose to constantly deny the rights of individual workers to choose on just that matter. What is it that the union movement is so afraid of? If the union movement were the sort of responsive, must-join organisation that it should be—doing things which workers want it to do, representing them in ways which are relevant to the aspirations of the membership—and not simply a top-down, 'tell 'em what they must have' kind of organisation, which is currently the case, then people would be joining in droves.

Of course, Mr Deputy Speaker, as you and I both know, in fact quite the opposite has been occurring. Over a long period of time union bosses, in their absolute arrogance, have grown their unions into bigger, less responsive, less reactive to the individual requirements of workers types of organisations. They have become further distanced from the aspirations of the average worker, and as a result average workers are leaving unions. If, as the Australian Labor Party are trying to suggest, this government was making the tenure of workers so difficult, you would think that workers, man and boy, woman and girl right across this country, would be joining unions. But it is simply quite the opposite. At the same time, we find employers in my electorate—and this is just an example for the House—who say to me, 'I am still afraid to hire a new staff member. I am still afraid that if I do I will hire a mistake.'

Mr Fitzgibbon—Name the last one who said that to you. Name them.

Mr HARDGRAVE—I do not need to name the individual person involved. But I can tell you that the small business operator in my electorate of Moreton, who is based in Sunnybank, has told me that he has workers on his books who regard the concept of a warning about a dismissal as a badge of honour—

Mr Fitzgibbon—Are they working under federal awards?

Mr HARDGRAVE—who regard the concept of being able to go to the Industrial Relations Commission if in fact they have a grievance with their boss and in fact force their boss to go through the expensive processes of warning letters as an absolute joke. And that person has put the financial investment in and has taken the time and the risk and the worry and the concern of growing a business.

It is amazing to think that the man who would be the small business minister in a Labor government thinks all of this is a joke. It is important that anybody listening to this broadcast today knows that the member for Hunter, who is a would-be small business minister in a Labor government, does not understand the concept of how small businesses operate. Boy, does that reinforce my point that Labor is not a small business party.

Mr Fitzgibbon—You've run one, have you?

Mr DEPUTY SPEAKER (Mr Andrews)—Order! The member for Hunter will have his turn.

Mr HARDGRAVE—Apart from having small business operators in my electorate who say they have workers who regard the concept of warning letters as a badge of honour, more militant workers in fact regard the whole system of industrial relations as a big joke, that they can do anything they like and nobody can stop them. Against this background, we have so many people in the small business sector who also say to me—say they have got 12 people on the books—that they regard themselves as in fact having 13 mortgages, that they live and breathe the welfare of their workers, that they are concerned that their business is growing into
something bigger than it was, that their investment is being realised in some sort of return and that along the way they are amply rewarding their workers, that they volunteer forms of profit sharing and other ways of bringing the workers to be even further involved in the benefits that may come from a growing business.

What we have before us today is a pro jobs initiative as well as a pro small business initiative. It is a great striking of a nexus that is important for the future wellbeing of this country. It is astonishing in the extreme to think that, after having introduced this sort of legislation now on three or four occasions over the course of this government’s life, the Australian Labor Party are upholding their opposition to it. The Australian Labor Party should stand condemned as a result.

In his contribution today the member for Brisbane has tried to lampoon the government’s evidence contained in Senate committee reports, talking about three small business owners flown to Canberra to give evidence to a Senate committee. Incredibly enough, the Australian Labor Party objected to the appearance of those small business operators. They complained about the cost of flying them in to the Senate committee hearing. They delayed the hearing so much that not one of them had a chance to speak. It is amusing in the extreme to have the member for Brisbane complaining and trying to damage the credibility of those small businesses when the Labor Party in the Senate went out of their way to such an extent to prevent any contribution to the discussion that took place in that Senate committee hearing into these matters from actually even being really recorded.

Of course, the Australian Labor Party want it both ways: they say they do not like casual employment and they blame the government for allowing it to continue, but they continually refuse to allow us to better balance the whole unfair dismissal laws. What is at stake here? What we are saying is that we want to give small business the opportunity within the first six months of hiring—with the exception of those who are indentured in the form of apprenticeships, which naturally enough have to operate under a different scheme—to, if necessary, take a cold shower, as any consumer would expect to be the case in consumer law, and say the product they bought—that is, that particular worker—has not worked out, sorry about that, thanks very much, and find somebody else.

I do not think that is an unrealistic or unreasonable proposition. I know that when you as a member of parliament hire staff everybody who comes on board has been prepared to say, ‘I will give it three months, and I understand at the point of hiring that if you are not happy with my performance I can go.’ I do not think that is an unreasonable proposition, because of the cost involved to small business operators, who do not work like big enterprises, who cannot afford to shut their doors and go off to the Industrial Relations Commission to argue for the right to actually dismiss somebody who is doing the wrong thing in their business, like a big business can, and who cannot afford to hire some industrial advocate to sap their profit line perhaps even further than they already feel it sapped. The small enterprise person has to do it all themselves.

The small enterprise person in fact wants to have a very deep and personal relationship in a professional sense with their worker. They want to have that level of trust, that level of understanding, that level of reward for that worker’s effort. They also want the worker to understand that they will back them and support them on every front on the basis of their doing a good job. I do not think it is unfair or unreasonable for that manager, that owner, to also make a decision—as hard as it would be for them to make that decision—to tell that person, with whom they have a deep and personal, close and daily, face-to-face relationship, ‘Sorry, it hasn’t worked out, you’re going to have to go.’ That is all the government is actually doing here.

The government is saying that the Labor Party’s laws during their time in power made it so difficult for the relationship between the worker and the employer to be on an honest
They made it so difficult for so long and in so many entrenched ways. The famous Brereton laws—the Keating government and the member for Kingsford-Smith happily introduced laws that the International Labour Organisation had put forward just as a pipedream—made it impossible for an employer to get rid of a worker, even if they are stealing from you, even if they are damaging your business. Even if they are doing things that are totally contrary to the wellbeing of other employees in the place, an employer has no right to get rid of them. That is what happened in this country under the Labor Party. If the member for Hunter and his colleagues get back in power after the election later this year, that is the sort of thing they will do.

Let me tell you what happened in Queensland. The Queensland coalition government introduced their own Workplace Relations Act between 1996 and 1998. They introduced the sort of act that we want to introduce here. In August 1997, the Queensland government—the now former member for Clayfield, my friend Santo Santoro, was the minister responsible for this—made regulations to exclude employees of businesses with 15 or fewer employees from applying for an unfair dismissal remedy under the then Workplace Relations Act. These regulations were repealed by the Beattie Labor government with effect from 1 July 1999. With absolute indecent haste, the first thing the Labor union nexus that now runs Queensland did when they were elected in 1998 was to introduce legislation to overturn the sorts of measures that we have put here, which is just extraordinary in itself.

Yet it is quite amazing to know that the statistics, based on published ABS data, show that growth in small business employment had declined during the period from 1997 to 1999 in comparison to what had happened during the period from 1995 to 1997 when the coalition’s own Workplace Relations Act, which gave that exemption to small business, was in place in Queensland. It is quite astonishing to believe that a pro jobs, a pro new jobs, a pro small business agenda that was operating in Queensland for about a year and a half—and which actually produced more jobs in small business because it said to small business owners: ‘It is okay to hire somebody, and if you happen to hire a mistake you can shake that person out of the system’—was so quickly struck down by the Beattie Labor government and remains struck down in Queensland now.

I believe that the hard yards made by this government during its five years in office so far and the additional hard yards that we are prepared to consistently strive for, which is why we are introducing yet again this legislative measure to unlock the jobs potential of small business, will of course be struck down by a future Labor government here. If there is not a signal to small business that a vote for Labor is a vote for fewer jobs, that a vote for Labor is a vote for less right to run your business the way you choose, that a vote for Labor is a vote for less small business growth, then I do not know what sort of signal you can possibly give. It is astonishing in the extreme to think that the alternate government in this country would actually believe that they are acting in a proper way. They are not acting in a proper way to meet the needs of the average worker, they are not acting in a way that small business owners in this country would want, they are not acting in a way that will ensure the future well-being of this nation by the Labor Party’s constant refusal to understand just exactly what the government is trying to do here.

The Australian Labor Party have provided a delightful contrast for me to offer to my electorate to consider as we head towards an election. If the Australian Labor Party want to continue to vote down the government’s sensible pro jobs, pro workers rights, pro small business legislation, then I will campaign from one end of my electorate to the other on this issue. I have had operating for 4½ years now a Moreton Electorate Small Business Advisory Group, featuring representatives from local chambers of commerce—the Southside Chamber of Commerce, the South-West Brisbane Chamber of Commerce and the Archerfield Airport Chamber of Commerce. Whilst there has been this distraction and discomfort over
aspects of paperwork associated with the new taxation system, the point they made as clearly and simply as you could imagine just two weeks ago to me and also to the member for Groom, who is the Minister for Small Business and who came to meet with representatives of MESBAG—the acronym for the Moreton Electorate Small Business Advisory Group—was that just as important to them is this whole area of unfair dismissal.

So I would invite the member for Hunter, whom I note is taking notes of my comments here, to understand very clearly that they can try to score cheap political points over a government determined to run this country in an economically sound way, over a government that is determined to provide proper management that keeps interest rates down, inflation down, jobs growth up, profitability up, exports up—all of those things that are happening in this economy today—and they can try to make cheap political points over the change in paperwork and try to focus in on the discomfort that some, certainly not all, in the small business sector are feeling, but they have to understand this: there is nothing the Australian Labor can do that can satisfy the legitimate concerns of small business about their ongoing anti-jobs, anti-workers rights, anti-small business stand on the question of unfair dismissal.

Today, not unexpectedly, I rise to support the amendment to the motion for the second reading, moved by the shadow minister. I feel a sense of déjà vu. It seems that we have been here and done this once or twice before. This is a government in political damage control. When things are going bad, particularly when things are going bad for it in the small business constituency—a sector of the community it likes to claim as its own—what does it do? It rolls back out the old unfair dismissals legislation. What has changed since we last considered this bill? Has there been a mood change in the Australian community? The answer is no. Has there been an attitudinal change within the Australian Democrats who, of course, joined with Labor in the Senate last time around to defeat this bill? The answer is no. Has there been a mood change within the Australian Labor Party to this bill? The answer is no, and the government knows that.

So where is this bill going? Does the government really expect it to pass the Australian Senate? Of course it does not. But it is a
great opportunity to roll back out one of the old myths, and that myth is that, if only the government could get its unfair dismissals legislation passed, 50,000 new jobs would be created in the Australian community and small business would be happy—one million small businesses in this country would be happy. I do not think I need to go over it again, having done so in this place on a number of occasions and having heard the member for Brisbane do it again this morning, but this 50,000 is a fictitious figure. It has no basis whatsoever. No documentation has ever been produced. There is no evidence to support it.

Let me roll out another figure. In New Zealand the rate of small business exits, after the introduction of a GST, was around 20 per cent. If you applied that figure to Australia—and we do not know yet what will be the impact here—that would be 200,000 small businesses gone, no longer in existence. Do not worry about industrial issues within small firms—200,000 small businesses would just disappear. If they employed no one but were just a husband and wife team, that would be 400,000 jobs. If they employed one person it would be 600,000 new jobs. That is significant. Here is a government which has just imposed the greatest burden on small business in the history of the Commonwealth, a burden which a recent university in Victoria study shows amounts to three per cent of small business turnover in terms of compliance costs—a GST which has made the small business community a tax collector on behalf of the government—and the government’s response is, ‘We’ll reintroduce our unfair dismissals legislation and roll out the old claim that, if only Labor would support it, 50,000 jobs would be created.’ What absolute hogwash.

Let us look at that three per cent turnover figure. A firm with a turnover of $200,000 faces an annual compliance cost burden of around $6,000. Where does that $6,000 come from? Does the firm claim it back from the government? Of course not. Does it pass it on to the consumer? Of course not. The fact is that small firms in this country already have enough difficulty competing with larger firms—their economies of scale, their ability to further spread compliance costs, et cetera—that they cannot pass on that cost to the consumer. The government tells us that legitimately they can pass on some of those compliance costs. What a demonstration of a total misunderstanding of the small business sector if the government thinks that an already struggling small business community can pass that compliance cost burden on to the consumer. It shows a total ignorance of the situation. Does the business take it out of its profit margin, the only choice available to it? I can tell you that they do not like it much.

Mr Cadman—Mr Deputy Speaker, I raise a point of order. The bill is on industrial relations and has nothing to do with the goods and services tax. I draw your attention to the content of the member’s speech and I ask you to request him to return to the subject.

Mr DEPUTY SPEAKER (Mr Andrews)—The honourable member for Mitchell makes a valid point of order. I would ask the honourable member for Hunter to confine his remarks more closely to the subject matter of the bill.

Mr FITZGIBBON—Mr Deputy Speaker, this is a bill about small business. This is a bill the government is claiming will be of benefit to the small business community. Surely then all that is happening in the small business sector is relevant to that bill. I know the member for Mitchell does not like me talking about the impact of the GST on the small business constituency because it is a fact that the member for Mitchell likes to claim the small business constituency as his own. Indeed, in the period leading up to the introduction of the GST he was the Parliamentary Secretary to the Minister for Small Business. What were you doing, Member for Mitchell, when that debate was panning out? I suggest you were doing nothing. I think this is entirely relevant, Mr Deputy Speaker. All of these things have to be approached in relative terms.

Mr Cadman—Mr Deputy Speaker, I rise on a point of order. Once more I draw your attention to the statements of the member for
Hunter, who is at the dispatch box, and to his amendment to this bill which does not mention the goods and services tax but is all purely industrial relations related. I suggest that, if we debate the issue before the House, things will go a lot more smoothly.

Mr DEPUTY SPEAKER—The honourable member for Mitchell again makes a valid point of order. I have taken the opportunity, Member for Hunter, to examine the title of the bill, which does not include the words ‘for related purposes’ which gives the chair some occasion to allow speakers to go beyond the narrow subject matter. I have also examined the amendment moved by the member for Brisbane and seconded, in fact, by the member for Hunter. In those circumstances, I again ask the member for Hunter to confine his remarks to the subject matter of the bill before the House.

Mr FITZGIBBON—Obviously, the member for Mitchell is determined that I do not get the chance to have the full amount of time available to me and to which I am entitled. So I will move on and we will all mark down how precious and sensitive the member for Mitchell was with respect to my comments on the GST and its impact on the small business community. Let us help out the member for Mitchell and return to what he would see as the core issue contained within this bill—that is, unfair dismissals to ensure that I get a fair go in this place.

What the government proposes today is to have a rule for one part of society and another rule for the rest. It submits that, once the Australian community has come to a conclusion about what constitutes a fair dismissal and what constitutes an unfair dismissal, that principle should be applied to one part of the community only. That principle will be applied to the individual if he has 16 work mates but not if he has 12 work mates. Where is the merit in that? Where is the merit in drawing an arbitrary line through society and suggesting that these very important principles of employee protection should be applied to some individual employees and not others. Where, indeed, did the arbitrary line come from? The ABS definition of a small non-manufacturing firm is 20 employees or fewer. Yet the member for Mitchell wants to draw a line in the sand at 15 employees or fewer. The former Minister for Employment, Workplace Relations and Small Business has never once explained to this House from which source he derived that figure. It is just an arbitrary line drawn in the sand. I pose the question to the member for Mitchell, whom I suspect is speaking next: where did the figure 15 come from; but, more importantly, where did the 50,000 figure come from? We know it was sourced from COSBOA, but where is the evidence?

The fact is that, in the period 1993 to about the year 2000—the period in which we have had in existence unfair dismissal laws at the federal level—200,000 new jobs were created in the small business community. So this proposal that the existence of an unfair dismissals regime leads to a halt in employment growth is just a fiction. In fact, in a study done in 1999 by two academics from the University of Newcastle, Peter Waring and Alex De Ruyter, they put forward another position under the heading ‘Unfair dismissals and urban myth’. The point they make is that, in terms of small business policy, one of the biggest issues is artificial barriers to growth that usually grow out of government regulation. It is probably a good time to remind the House of the government’s commitment to cut back government regulation, to cut red tape for small firms by 50 per cent. While that promise is now no more than laughable—given the compliance cost burden and the red tape burden imposed upon small business by the GST—the very credible theory of Peter Waring and Alex De Ruyter is that this artificial line that the member for Mitchell has just drawn in the sand is another barrier to growth. If you accept, just for a moment, the member for Mitchell’s proposition that unfair dismissals are a disincentive to employment, then that arbitrarily drawn line in the sand is another barrier to growth. If you accept his proposition, then those small business people who are employing 14 people will say, ‘We do not want to go that step further because we will go through this line in the sand’—the
line the member for Mitchell is so fond of talking about. So, on the contrary, we could be talking about a concept that leads to barriers to growth.

What about the mood in the small business constituency? I am happy to concede that, when I do the rounds of the small business constituency around the country, the issue of unfair dismissals is raised with me. Yet, when I look at surveys—for instance, the Yellow Pages survey which was out only this week—I see as the prime concerns of small business: lack of work sales, government regulations at the state level, cash flow problems, consumer confidence, economic climate, competition against big business, rising costs and overheads, finding quality staff, the GST and bad debts. But nowhere do I see unfair dismissals. I noticed in a very recent survey, done in February 2001 by Sweeney Research, that when businesses were asked to respond to the comment, ‘All businesses should have to meet the same basic minimum standards of wages and conditions of their employees,’ the support for that comment was just short of 80 per cent. Small business believed that their employees should be afforded the same conditions and protections as those who have 16 work mates—and there is nothing surprising or unusual about that.

There is another thing I am happy to concede, and that is that the laws that were in existence between 1993 and 1996—the laws which were changed by this government by way of the Workplace Relations Amendment Act 1996—were unbalanced. I think they were laws put in place to swing the pendulum back towards the employee, but I think they were laws that in some cases went a little too far. So the government amended those laws in 1996 and described the new act as ‘a fair go all round’. In other words, the act of parliament that the government seeks to amend today with this bill—its own act of parliament—is an act which is the product of the government itself, an act which it described as ‘a fair go all round’. The act made some significant changes. It changed the onus of proof from employee to employer. It ensured that hearings for unfair dismissals went to the commission rather than to the Federal Court. It increased application fees, to act as an incentive against frivolous and vexatious claims. It imposed penalties for vexatious claims. They are very significant changes.

But why does the government want to go one step further today? There is only one reason. It is because this is a government in decline, in trouble and acting out of desperation. The government have introduced a bill that they know is going nowhere, but that they think has a headline in it for them. Why do I hear from small business people around the country about unfair dismissals issues? It is simply because of the tactic being employed by the government today. When Minister Reith was the Minister for Employment, Workplace Relations and Small Business he told the small business community ad nauseam how much better off they would be if only Labor would support his unfair dismissals legislation. He said it so often that, despite the fact that the small business community had never had any direct contact with the issue, despite the fact that they had never faced the issue, despite the fact that they had never had a bad experience, they started to believe that unfair dismissals posed a threat to them. If you tell them often enough, they start to believe it and become fearful of it—regardless of whether their employees work under state or federal awards. Of course, they had heard the odd horror story coming out of the system as a result of the 1993 act, but that act has now been changed. So the proposition before us is nothing more than a stunt. The Labor Party recognise it as a stunt.

If the government really wants to do something about small business, it should deal with the GST issues. It should deal with petrol prices. It should get back on to the small business policy agenda and start talking about small business education. It should start talking about small business access to finance, both debt and equity finance. It should start talking about small business R&D. It should start talking about retail tenancy laws—something that it remains unprepared to do. It should start moving on things
like the recommendations of the retailing committee report, instead of stonewalling. Finally, it should adopt the unanimous recommendations of the Reid committee and start doing something about assisting small business in their growth objectives. *(Time expired)*

**Mr CADMAN** (Mitchell) *(11.12 a.m.)*—The Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] has been before the House a number of times. It has been passed by the House of Representatives but has failed in the Senate. I listened with care to my colleague as he espoused the cause of the Labor Party’s rejection of the legislation, which is also the basic theme for the rejection of the legislation by the Australian Democrats in the Senate. I appeal to him to consider the whole subject outside the ‘less light and more heat’ that is generated by this place.

Perhaps he could go to some of the reports that have been prepared, not by this government but by former governments and by academic institutions, over a period of time which look at the functions of small businesses and the way they operate. He need not accept the argument of somebody as erudite as Peter Reith, nor need he accept the attitude of government members as being ideological; he should go past all of those things which are tempting and look at the real functions of small business. I believe that is why somebody with the close contact with small business and knowledge of business that Senator Andrew Murray of the Democrats has, for instance, is privately empathetic towards proposals such as these. But his party and the Labor Party have different views about whether or not they should be passed. We have the Labor Party today once more, without fresh argument and with a great deal of ideological content, opposing what are sensible measures.

I have just plucked four reports from the shelves. One is called ‘Changes at Work’, an Australian Workplace Industrial Relations Survey of 1997 which surveys the size of companies, the number of their employees and the conditions under which those employees work. Another report is an Australian Bureau of Statistics publication entitled ‘Characteristics of Small Business’. Another publication, which is particularly interesting because of its statistical detail, is a report entitled *A Portrait of Australian business: results of the 1996 business longitudinal survey*, one I think that was started during the period of the former government. The final document that I would like to refer to is the Industry Commission paper entitled ‘Small Business Employment’. That is a very fine academic effort looking at employment in small business.

**Mr Fitzgibbon**—You cut the funding for the final year on a crucial survey. You cut the funding for the important last year of the survey. Why did you cut the funding? You were the parliamentary secretary.

**Mr CADMAN**—The member at the table indicates that he has some familiarity with these reports. His speech did not reflect one iota of that. He just said, ‘We are opposed to it.’ There was no strength in his argument. The limitations placed on small business by unfair dismissal laws are just the same as any other laws that restrict employment in small business. To remove them provides an incentive for employment and opportunity.

I refer the House to the small business employment staff research paper from the Industry Commission which deals with the role of small business in the labour market. It tabulates very carefully the conditions of employment in small business, including the size and flexibility of salaries or wages. The skills of workers are assessed, as are the wage setting processes firm by firm. The conclusion in the paper from the Industry Commission is that there is more flexibility within small business to set wages both upwards and downwards and that small business responds more rapidly to changing economic conditions. The paper concludes that employment in small business is therefore more stable than it is in large companies. In fact, in a section entitled ‘Indivisibilities in personnel and hours flexibility’, the paper points out how it is possible:

While small business, on average, employs less skilled workers than big business, it is not true that these employees are identical, unskilled clones. There will be some specialisation. This
implies that if a small firm faces a demand shock, it may reduce hours of work of their staff rather than lay them off, in order to avoid losing a worker with a specialised skill. A large firm, in contrast, has many workers with the same specialised skill and can afford to lay off ‘whole’ workers.

To me, there is a lot of commonsense and clever analysis in this paper. It deals with ‘own account labour and self-employment’, and says labour demand increases in secondary markets. It deals with employment protection legislation. This report, Looking for academic strength, by the Industry Commission clearly identifies the adverse effects on hiring policies for small businesses if the penalty of unfair dismissal hangs over their heads.

The member at the table, the member for Hunter, said, ‘You wouldn’t know if it was federal or state.’ Yes, that may be true. But why shouldn’t the federal impediments be withdrawn? Why shouldn’t they be removed for small businesses? It is absolutely demonstrably true that small businesses are more subject to pressure from economic circumstances, they are more subject to the pressure of the availability of skilled workers and they are more subject to pressure from the union movement. Therefore, it is more difficult for them to make decisions on employment. Employment protection legislation is founded on the 20 principles that are in place that deal with a whole range of work conditions; work conditions that people normally would want to apply in their workplace. They are principles which cannot be taken away—indeed, they are law. The average person has strong protection in their workplace whether they are in small business or in large business. That protection cannot be taken away by the removal of unfair dismissal laws. The unfair dismissal laws which are in place are part of the history and culture of Australia. Those allowable matters which are referred to in technical detail in the bill are there for the protection of all employees, whether in large business or in small business. The government’s decision is not about those proposals; it is about whether or not employees can say—sometimes using gross imagination—that they had been unfairly dismissed. The threat of a $10,000 fine is enough to make small businesses think twice about whether or not they employ additional staff. They would rather have their existing staff work overtime.

It is also very interesting to look at the percentage of union membership in small businesses. When one looks at these statistics and then refers to the proposed amendments one can see why the Australian Labor Party has taken the line that it has. I refer the House to A portrait of Australian business: results of the 1996 business longitudinal survey. In table 4.31, it says that firms with an employment size from 1 to 19 have an average non-union membership of 83.9 per cent. So they are non-unionised. The smaller the firms are, the less likely they are to have union members. The jump in union membership in larger firms—larger firms being easier targets for unionisation—starts at 20 and runs through to 50. So it jumps from non-union membership of about 90 per cent in firms under 20 to 69.3 per cent in firms employing from 20 to 50 employees. If one looks at the type of industries which are unionised in small business, one realises that, predictably, the industries which are least unionised are the retail trade, the accommodation, cafe and restaurant trades, property and business services, and personal services—there is of course a wide range of those. The clothing, textiles, footwear and leather industries are highly un-unionised, whereas the metal products industry is highly unionised, as are the transport and storage industries. That is predictable, I think. The survey indicates just what most people recognise as being the reality.

So we have a small business industry in Australia which is highly reactive to the employment market, highly responsible in its retention of employees, because they need skilled people to continue their businesses, highly responsive to the employment and unemployment market, highly responsive to innovation and changes in the economy and mostly ununionised—and here we have a motion from the Australian Labor Party, the fourth paragraph of which says that, if anybody is under contract—that is, self-
employed or a subcontractor—they ought to have the application of unfair, unreasonable or harsh dismissal as compulsory legislation over the top of them. If that is not a process of unionising the subcontractor or the contract worker, nothing is. The process that you are looking at here today is one where there is a stand which says, ‘We espouse the role of small business and we want to stand by them. They have got too much paperwork’—and I acknowledge that there is too much paperwork. The Labor Party say that the GST is complicated but they are not prepared to take away the goods and services tax or the tax reform. They have no intention of doing that.

Mr Fitzgibbon—Do you think we should?

Mr CADMAN—Did you say that you should take it away? Are you saying that you will?

Mr Fitzgibbon—The question was to you.

Mr CADMAN—No, it is your decision. You have no policy.

Mr Fitzgibbon—Mr Deputy Speaker, I raise a point of order. I was robbed of my time to speak on this bill because on two occasions the member for Mitchell took a point of order against me because I was discussing the GST. But I think that what he is saying now is that the Australian Labor Party should abolish the GST—and he should acknowledge that.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! There is no point of order.

Mr CADMAN—I was pointing out, in the process of debate, the amendment moved by the Australian Labor Party to the second reading of this legislation. The fourth part of it proposes, in my view, the roping in of contractors and subcontractors to the union movement. One would understand why they would want to do that to small business because one only has to assess the structures and composition of the Australian Labor Party and be aware that the link between unionisation and small business is one that is not strong but one which is close to the heart of the Australian Labor Party. I refer to a publication, ‘Peter Reith’s Guide to Who’s Who of Unionists at the ALP National Conference’, and I find the startling figure that, of the 195 delegates—

Mr Fitzgibbon—Mr Deputy Speaker, I raise a point of order. This bill is very much about small business. The previous Deputy Speaker sitting in the chair ruled me out of order because I was talking about a goods and services tax, which is imposing a very heavy burden on the small business community, and yet the member for Mitchell now wants to talk about the composition of the members in this House, which must be irrelevant to this bill.

Mr Ross Cameron—He can’t make a speech.

Mr DEPUTY SPEAKER—Order! The honourable member for Parramatta is not assisting in any way. The honourable member for Hunter raises a point of order. I am not aware of the ruling that was made earlier. I would have thought that, in the scope of the debate so far, the honourable member for Mitchell’s comments are in order.

Mr CADMAN—I do not want to stray from the contents of the bill, Mr Deputy Speaker, but I am pointing out the link between unionisation, the amendment moved by the Australian Labor Party here in the House of Representatives today, and the composition of the Australian Labor Party. At the annual conference of 195 delegates, two-thirds were current or former union officials. That shows that the link, both in the motion and in the composition of the national conference of the Australian Labor Party, is one that pushes towards union control and protection. However, I have endeavoured to point out to the House that the very nature of small business itself is one that encourages growth. It is not highly unionised, and to impose unionisation on the processes must be nothing more than ideological. How small businesses vote is for them to decide, but the process of control that unionisation imposes on small businesses is something that is rejected by small businesses historically, and is something that would deny them
the flexibility they have, their responsiveness to employment and their capacity to pay higher than average wages and to hold their staff on much longer than larger businesses. But no, the Australian Labor Party will not accept the advantages that small businesses offer to Australian workers and the economy at large. They want to unionise the process. Indeed, I will go further.

It is very interesting that the previous speaker did not refer once to the amendment; he must have been sensitive about the content of the amendment. You want to give workers in small business access to an affordable and fair industrial umpire to deal with unfair, unreasonable and harsh dismissal. We have just examined the composition of small business—the reports are there: they are not government reports, they are not Liberal Party reports, they are not reports from Robert Bastian; they are reports that you can refer to that have demonstrated, instance after instance, the real nature of small business. Yet you turn away from that and say that if we were to remove the unfair dismissal proposals from the statute books there would be no benefit. That is not what small businesses are saying. They are raising it with you as you go around because they are concerned about it. There is potential for 50,000 extra employees. Survey after survey has demonstrated the concern.

Mr Fitzgibbon—Why 15? Where did you get 15?

Mr CADMAN—I challenge you, my friend: if you are so doubtful about the figure why don’t you let this legislation go through and see how many extra they employ? If you have a doubt about it, let us do a real survey by letting this legislation pass and seeing whether there is an improvement in the number employed. Are you nodding your head in agreement? You would like to let it go through? You have got nothing to lose. You agree with me because you in fact really do say that this legislation is not antibusiness and it is not antiworker.

The workers’ protections are there by the 20 allowable matters, and I challenge anybody in the House to say where the basis of employment is not covered by those 20 allowable matters. Even the Australian Labor Party let those go through. You agreed to the 20 allowable matters in our industrial law. That is now the law of the nation and you have agreed to that. But here you are saying, no, we need something extra for small businesses, even though it is restrictive to them, even though it hampers their employment policies, even though it is denying the opportunities for an additional 50,000 workers. Why are you doing this? Mainly because two-thirds of your national conference consists of unionists or former unionists, and there are a number of them here in the chamber today. I could run through the New South Wales delegation if I wished. I will not do that because it has only a tenuous link with the nature of the bill, but I have got the list of all the names, from Della down, so there is no doubt about your putting your hand up.

The member for Prospect is going to speak on behalf of small business, yet this amendment seeks to create unionisation in small business and you are supporting that. You are supporting the roping in of contractors and subcontractors into the union movement. Small business in Australia will be really excited to find that the newly established policy of the Australian Labor Party is to rope in subbies and contractors, to unionise them and compel them to come under Commonwealth industrial law. I believe that the majority of the Senate committee found that there is an impact on the employment policies of small business. The Senate refused to pass that legislation, but the thing that really disappointed me was that the Australian Labor Party in the Senate even refused witnesses who had a genuine beef and a genuine concern about this legislation the opportunity to appear. You would not allow them in to give evidence. Talk about a restriction of freedom of speech. You guys do not even believe in basic human rights and do not let someone appear before a parliamentary committee if they disagree with you. (Time expired)

Mrs CROSIO (Prospect) (11.32 a.m.)—I rise to speak on the Workplace Relations Amendment (Unfair Dismissals) Bill 1998
[No. 2], and before the honourable member for Mitchell goes scurrying out of the House I would like to refer him to a couple of misinterpretations he has made on this particular bill. You quoted from a number of reports, one of which is the small business longitudinal survey. You acknowledge that it was started under the Keating government and was a very good report. Why, I ask the member for Mitchell, did your government cut the funding? They were unable to complete the report in their final year, their fifth year of investigation. It was your government that cut the funding in the 1996-97 budget. If you are going to understand small business and the government is going to get information from it, for God’s sake, let us have some truth and honesty in what we are doing in reports before we start quoting from incomplete reports.

I can speak for small business. I ran a small business for 27 years and employed seven people before I went into politics. I know what I am talking about when I talk about small business. I am particularly keen to talk about this rehash of the original bill that was introduced in 1998, a bill which is totally unfair, unjustified and unworkable and which, if passed, would ruin the job security of thousands of Australian workers. Unfair dismissal has been the bane of this government. They have sought to amend the Workplace Relations Act numerous times in relation to unfair dismissal. On every one of those occasions, the parliament has rejected this piece of legislation, and quite rightly so. The Labor opposition remain opposed to this unfair dismissal legislation and we will be voting against it. The reasons why we are voting against this bill are the same as the last time we debated this bill in the House and voted against it. It is essentially a callous piece of legislation. It is designed to ensure that the workers of Australia, especially in small business, have less protection and fewer rights in circumstances where they feel they have been unfairly dismissed.

Under current legislation, if workers feel they have been unfairly terminated from their employment, they have the right to argue that they have been unfairly dismissed and also have the right to have their case heard by the commission. It is the right of every employee to be treated fairly and to be given a fair go by their employer. This is what we on this side of the House stand for. On the other hand, employers already have adequate protection from hiring dishonest or incompetent employees. There is already in place a system of three-month probationary employment where employers can take the time to see whether their new employees are up to the job or not. During this time employees can be dismissed without notice. It is up to the employer to check the references of a new employee, as this could also serve as a way of finding out whether the potential employee is up to scratch or not. It is also the employer’s responsibility to provide adequate training procedures during this period so that the new employee can adjust to the new working environment. Any reasonable employer looking for a long-term employee would have exhausted all of these options before they even started to consider dismissal.

One of the main reasons that we on this side of the House are voting against this bill is that it is seriously flawed and that the justification for this bill is not supported by any shred of credible evidence. The former minister for workplace relations, who was such a liability to this government that he had to be demoted to a cabinet position out of the public eye, introduced the Workplace Relations Amendment Act which amended the previous Labor government’s unfair dismissal legislation in 1996. Further amendments were introduced by him in 1997. These were later disallowed by the Senate. A further identical bill was introduced in November 1997, again rejected by the Senate in 1998. Then again on 12 November 1998 the government introduced the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 into the House of Representatives. It was referred to the Senate Workplace Relations, Small Business and Education Legislation Committee for examination. The Senate eventually dismissed the bill. But here we have the same bill introduced for a second
There are very legitimate reasons why this legislation is not being passed by us. That is because we in the Labor Party have serious concerns about the so-called evidence which the government have used to justify the need for this bill. Our main concern is that the former Minister for Employment, Workplace Relations and Small Business, who introduced this bill, repeatedly claimed, and it was echoed by the member for Mitchell today, that this bill if passed would create 50,000 jobs in the small business sector—a claim which does not stand up at all to detailed scrutiny.

Let us consider the absolutely outrageous claim that 50,000 jobs will be created if this bill were to pass—that is what the member for Mitchell said previously. The former minister for workplace relations used several surveys and reports to back up his claim. One of the main surveys used was the Yellow Pages small business index survey conducted in October and November 1997 and in July 1998. I have looked at that Yellow Pages small business index which surveyed 1,200 businesses with 19 or fewer employees in the years 1997 and 1998 and the results speak for themselves. Allow me to read some of them. The survey found that 64 per cent of small business respondents stated that an exemption from unfair dismissal laws would not have affected the number of employees they would have considered recruiting. Need I say more? There it is in black and white. This is the exact survey that the previous minister quoted, although very selectively. I find this extraordinary, considering that this survey directly addresses the unfair dismissal legislation and was conducted at a time when Labor’s unfair dismissal laws were the focal point of a major campaign by the then opposition—the government now introducing this bill.

In response to the question, ‘Why haven’t you recruited new employees?’ 68 per cent of businesses responded that they did not need any more employees. The other 33 per cent gave their reasons as insufficient work, lack of demand for their product or low productivity. Unfair dismissal did not even rate a mention but it may—and I give this credit—have been a fraction of the six per cent response of high employment costs. However, the most convincing piece of evidence in the Australian workplace industrial relations survey was the reasons given for not recruiting employees during the previous 12 months. Only 0.9 per cent of respondents nominated that they had not recruited employees due to unfair dismissal legislation. That is less than one per cent.

It is now becoming quite obvious why the department omitted this report. More recent surveys show the exact same trend in small business attitudes to unfair dismissal. As this bill is the same 1998 bill revisited, it is worth comparing the current data to see whether small business attitudes to unfair dismissal have changed. Last time I spoke on unfair dismissal legislation in September 2000, I quoted heavily from the Yellow Pages small business index of May 2000 which asked 1,200 small business owners, ‘What were the
barriers to taking on new employees? I would like to refresh everyone’s memory. In that survey, 44 per cent of respondents said there were no barriers. Of the 56 per cent who believed there were barriers, 39 per cent believed the major barrier was the fact that there was not enough work, 19 per cent mentioned the cost of employing, 12 per cent said finding skilled labour and staff was a barrier, eight per cent said cash flow and eight per cent said introduction of the GST. The list goes on and on with reasons such as paying superannuation, profitability and lack of confidence in the economy, et cetera, but unfair dismissal does not even rate a mention. Even if we tried to place it under an other category, it would probably come under the ‘too many rules and red tape’ response, which only four per cent believed was a barrier. The more we look at the reports, the more we wonder where Minister Reith, the government and even the member for Mitchell concocted this 50,000 jobs myth from and whether the new minister who has taken over this responsibility will have enough common sense not to pursue this wishy-washy rhetoric.

A further point which has been consistently spouted by this government is that unfair dismissal cases are costly and time consuming for small business. However, once again when we start to analyse these claims, we discover they are not really what they seem. Evidence coming from the Australian Workplace Industrial Relations Survey suggests that most small businesses still rely on informal and individual methods of dispute resolution—67 per cent of surveyed small businesses agreed—where employers and employees work out their problems between themselves on a one on one basis. This is a better way to deal with disputes for both sides, rather than the alternative of businesses having to go through a time consuming case in the commission and the employee facing the prospect of unemployment. It is a win-win situation.

Many would argue that it is because of unfair dismissal legislation that employers still use informal methods to avoid what may be costly and time consuming unfair dismissal cases. Either way, this method helps both the employee and the employer. It helps keep employment and it saves the employer’s time in the commission. However, there is a danger in allowing small businesses to be exempt from unfair dismissal legislation. We run the risk of creating a labour market with an increased turnover, increased casual and temporary work, little job security and less long-term employment. Without unfair dismissal legislation, there would be no barrier to an employer taking on an employee on a speculative basis, with no view to long-term employment. It would also provide no barrier to employers dismissing experienced employees for cheaper, younger staff. This situation is especially at risk of occurring in semi- or lower-skilled positions. Under current legislation, with the right to impose a three-month probationary period, I believe no reasonable employer with a long-term employment need could regard the unfair dismissal laws as an impediment to taking on employees.

Just from walking around my electorate and from listening to many small business owners I can tell you that unfair dismissal legislation is the least of their concerns at the moment. Rather, they are concerned about loss of business hours through the extra time and additional costs incurred in filling out their now quarterly business activity statements. As well, there is the time being wasted on being unpaid government tax collectors. The GST is the main concern of small business right at this very moment. The GST causes most of the problems that small businesses face. There is a major cash flow problem out there among our small business owners due to the new tax system. Many reach crisis point when they need to fill out their business activity statements. This adds more hours to their business days and more stress to the challenge of owning their own businesses. This government should stop wasting everyone’s time and taxpayers’ money by reintroducing red-herring bills, such as this, which have consistently been rejected by the Senate and dismissed as a non-issue by the public at large. The government’s claims have been
constantly discredited, but they still use the same old, tired and shoddy coalition rhetoric about job creation to justify this bill before the House. I know, from being a small business owner prior to entering parliament and from talking to my small business constituents time and again, that amending unfair dismissal legislation is far from a priority for small businesses in Australia. I believe that industrial relations and workplace standards have taken a very serious downward turn under this government, and this bill is just one in a succession of attempts to further undermine the rights of Australian workers.

Recently there have been reports of workers being paid wages which by today’s standards are completely abhorrent. One case reported in the paper this week refers to eight Indian nationals who were discovered to be working in conditions that were described by the CFMEU secretary, Andrew Ferguson, as the worst he had seen in 20 years of working with the union movement. These men were found to be working seven days a week, living in on-site sheds, sleeping on putrid mattresses and being paid $45 a month for their labour—other than the $100 a week the contractor said he was sending back to India. It is a complete and utter disgrace that shocking situations such as this have been allowed to happen under this government in this country. Workers are increasingly being thought of as just a commodity by unscrupulous employers, and this government are doing nothing to rectify the situation. In fact, they are out there now openly advocating bills such as this, which result in further deterioration of workers’ rights.

The fact that these cases have been allowed to happen under the Howard government is a disgrace. This government has failed to protect workers’ rights and it is increasingly trying to legislate to further deny Australian workers justice and fair treatment. This bill is an example of this. If the government had its way, we would find more and more of these cases occurring, and before long being paid $2.85 an hour would become the standard in this country. Australia has international obligations to ensure that Australia’s domestic laws remain reasonable and fair regarding employment and workers’ rights. Under this government, however, Australian workers’ rights are being consistently depleted and slowly stripped away. I condemn the government for its attitude to workers’ rights, and I condemn the government on this bill. By pursuing this petty piece of irrelevant legislation the government is obviously putting its own needs ahead of the real needs of small business owners in Australia.

Another case which made my blood boil was reported in the Daily Telegraph on 28 February 2001. It told the story of a factory which had employed workers to sew Speedo swimwear at what was reported to be $2.85 an hour. This is almost $9 an hour less than even the most minimum award wage. The Textile, Clothing and Footwear Union raided those premises in Seven Hills in Sydney to find that the work of recently sacked Speedo employees was being performed by other contract workers who were being paid these appalling rates of pay. This is something you hear about in less developed countries which do not have our advanced and developed economy and labour laws. This should not be happening here in this country which was once seen as a leader in protecting workers’ rights. When the Daily Telegraph asked the proprietor of Dolphin, the company contracted by Speedo, to comment, she declined, claiming that she did not understand English. That is not an excuse. It just goes on and on. Companies who outsource work have a responsibility to ensure that they do not contract unscrupulous or dodgy employers who are likely to take advantage of workers.

Mr ZAHRÄ (McMillan) (11.49 a.m.)—I welcome the opportunity to contribute to this debate on the Workplace Relations Amendment (Unfair Dismissals) Bill 1998. I might begin by talking a little bit about the amendment moved by the member for Brisbane, the shadow minister for industrial relations, because I think it goes to the guts of Labor’s approach regarding industrial relations. Our amendment is as follows:

That all words after “That” be omitted with a view to substituting the following words:
"the Bill be withdrawn and redrafted to provide for:

1. increased job security for all Australian workers;
2. protection for workers from harsh, unfair or unreasonable dismissal, regardless of the size of the business;
3. ready access for all workers to an affordable and fair industrial umpire to deal with unfair, unreasonable or harsh dismissal; and
4. repeal of paragraph 170CC(1)(a) of the Workplace Relations Act 1996 to give workers engaged under a contract of employment for a specified period of time or a specified task protection from unfair, unreasonable or harsh dismissal".

The reason I raise our amendment up-front and indicate our general approach to industrial relations is because I think in those four paragraphs of the amendment moved by the member for Brisbane we really see a clear commitment given by us regarding workers' job security. Fundamentally, this is what this debate is all about. We have heard a lot of rhetoric in this debate about how somehow, miraculously, by making it easier for people to be sacked, 50,000 jobs will be created. Essentially, this bill is all about reducing workers' job security. We have had a little bit of experience in my electoral district regarding job security. Over the last six years or so we have moved from being a community which had a lot of full-time work, a lot of secure work, to being one of the most casualised workforces in Australia. It has caused us a lot of grief, a lot of heartache and a lot of suffering. What it means is that it is very hard for you to build a life. It is very hard for you to have a family and to be able to support that family when you are working casually, when the only work that you can get is a few hours here and there, a few weeks in a row when there is a shutdown, or a few weeks here and there depending on the circumstances of the companies in the local area. How can you know that you are going to be able to provide for your children and for your family under those circumstances? How can you get a loan under those circumstances? No financial institution will provide you with a loan or any type of financial support when they are not sure of your income week to week. So, fundamentally, this leads to a huge slowdown in local economies in areas such as the ones I represent, the Latrobe Valley, West Gippsland and Pakenham.

This bill seeks to exclude new employees of businesses with 15 or fewer employees from access to federal unfair dismissal laws. It is important to recognise that this will have a disproportionate impact on people living in rural and regional Australia. We have suffered a lot over the last four, five or six years—we have gone through a lot of pain and suffering—and this is just one more measure that the Howard government is proposing that will have a disproportionate impact on those of us living in country Australia. We do not want to see that. We want a different approach taken to those people who live in areas outside of the capital cities. We do not want to see the impact of casualisation go any further in rural and regional Australia. We know it leads to uncertainty and we know that, ultimately, it will not be a good thing for the families who live in those areas.

I have a large constituency and, when I think about the traditional sources of employment in those areas which are a bit remote, one of the most typical sources of employment which you would come across would be in agriculture and forestry. My electorate has quite a few timber mills which would employ 15 people or less and they would, if this bill were to be implemented, become prime candidates for being able to be sacked without any fairness at all. What we would see, unfortunately, is a deterioration in job security for those people who live in those communities. I am thinking about those small country towns which might have one or two timber mills—Noojee in the north of my constituency springs to mind. It has two mills which combined would employ 35 or 40 people. So we probably have about 18 or 20 people in each. By using some of the mad logic which the Liberal Party usually employs, you could imagine scenarios in which companies involved in these types of enterprises might be able to structure their operations so that they ended up with fewer
than 15 full-time employees and, by extension, classify the rest of their employees as casuals, which would allow them to sack these people without any recourse at all to the provisions of unfair dismissal provided in the legislation.

This would not be a good outcome for those communities which have only a small number of jobs to start with and depend on those jobs being full-time secure jobs for there to be any sort of local drive in their economies. Having 45 people employed full time and in secure jobs is very different from 45 people employed on the basis that they can be sacked tomorrow for no good reason or employed on a casual basis—which means that they cannot get a loan and many of those things I talked about before. We view this on our side of politics as something which will fundamentally be to the detriment of people living in rural and regional communities.

There has been a fair bit of traditional Liberal rhetoric in relation to this—traditional in the sense that it is fundamentally flawed and wrong. We have heard some of the claims which have been made, notably by the former minister for industrial relations, Peter Reith, that some 50,000 new jobs would be created if we were to make it possible for those employers who employ fewer than 15 people to be able to sack them at their whim without any justification. I would understand why anyone observing the proceedings of the parliament would think that we had all gone completely mad by that proposition. Imagine an ordinary punter—a real person—listening to the logic of those opposite when they say, ‘More jobs will be created when we make it easier for people to be sacked unfairly.’ Any person listening to that understands how ridiculous that type of logic is. In fact, as I will go on to explain in just a little while, there is substantial evidence to the contrary. Whilst I know that it is something which members opposite believe in very sincerely, if wrongly, the proposition that making it easier for you to sack people actually creates jobs is fundamentally wrong, flawed and certainly not consistent with the research which has been done.

This, fundamentally, is a way of denying workers’ rights. When you think about the type of Australia which we all want to achieve—an egalitarian society where people do have access to the same rights, irrespective of the country they have come from, the type of social background that they have come from or their level of education—this bill will create two categories or classes of workers in Australia. There will be those workers who are employed in companies which have more than 15 employees, who will have the rights which we have always taken for granted in Australia, and there will be those workers who are employed by companies who employ fewer than 15 people, whatever structure it is that their employer takes up which allows them to do that, who will not have those basic rights which we have always believed in in Australia to be able to have access to unfair dismissal procedures.

Again, I use the example of the timber industry, where you could distinguish between the employees who are involved in finger-joining and putting together that part of the timber mill’s operations, the people involved in kiln drying and the people involved in other component parts of an operating, functioning timber mill, and you could call them employees of different companies, and thus you would be able to get around the provisions of unfair dismissal. I mention that only because the principle which the Howard government is pushing is that this affects only those employers with fewer than 15 people, whereas I would argue that the provisions of this bill stand to fundamentally affect much larger businesses. You could end up with a business which employs in its office fewer than 15 people but which has a very large casual work force of maybe 50 or 100 people, whom they draw in from time to time. That company would be classified as a company which employs fewer than 15 people, and that would give it the right—if I can call it that—to sack its workers without any recourse at all for those people to the provisions of the unfair dismissal clauses of the industrial relations legislation.
As I mentioned before, there has been some talk about the fact that the provisions of this bill will create exactly 50,000 new jobs. This has been the claim by the government. They say, ‘By making it easier to sack people, we will create in Australia exactly 50,000 jobs.’ This is a fairly amazing proposition. It is not just me saying that the government are saying this; the former Minister for Employment, Workplace Relations and Small Business has also said it. In November 2000 in this place he said that the bill would create some 50,000 new jobs in the small business industry. He also said:

[A number of surveys] found that unfair dismissal laws strongly influenced hiring decisions.

He went on to say:

These surveys ... make completely plain the importance which business attaches to this issue. I think it would be fair to say that it is the government which attaches importance to this issue rather than small business, which is why we are seeing this bill presented again in the parliament today. Survey after survey and report after report consistently point to the fact that making it easier to sack employees is not going to create jobs in the small business sector. A lot of conclusive work has been done on this. However, the government, because of its ideological blinkers in relation to this issue, wants to ignore that large body of evidence and support the proposition which has been put by Rob Bastian, the Chief Executive Officer of the Council of Small Business Organisations of Australia. He has said that these 50,000 new jobs could be achieved in the small business sector by making it easier for these companies to sack people. We know that it was Rob Bastian’s advice to the government on this which led to the government having the view that 50,000 new jobs could be created. We know that because the former Minister for Employment, Workplace Relations and Small Business responded on 10 February 1999 to a question on notice in relation to this. He said:

... Mr Rob Bastian, based his estimate that 50,000 jobs would be created if small businesses were exempt from federal unfair dismissal laws on the, in his view conservative, premise that 1 in 20

small businesses would hire at least one more employee if the exclusion was to come into force. That is pretty amazing and it is also breathtakingly arrogant that they could just pluck this figure from thin air and expect people to base their decision making on it. What we have is a bloke who works for the organisation COSBOA—which is widely regarded by the small business community, certainly in my electorate, as being hopelessly out of touch with the interests and aspirations of small business people—coming out with a figure like that and saying, ‘Look, I reckon that about 1 in 20 people will be able to employ an extra person if you make it easier to sack people.’ It is not based on any logic, any research or any thorough examination of the issues involved—it is only a guess. So, on the basis of this mad guess from this guy who is the CEO of an organisation which is pretty unrepresentative when it comes to the interests of small business people, the government wants us to make it easy for a large number of Australian workers to be deprived of their natural rights in relation to unfair dismissal. In addition, they know that this provision will have particularly negative consequences for those people living in rural and regional Australia, for the reasons which I mentioned before.

As I mentioned, a large number of studies point to the real reasons why small business people do not employ more workers. I will go back to 1995, when the Australian Workplace Industrial Relations Survey was last conducted. This survey is a comprehensive and exhaustive survey which the government does and which people on both sides of politics in this country think very highly of. This is what businesses said in response to the question, ‘Why haven’t you recruited new employees?’ Sixty-eight per cent of businesses responded that they did not need any more employees. That is a fair enough reason—what is the point of employing more staff if you do not have work for them to do? Thirty-three per cent gave as their reason insufficient work, lack of demand for their product or low profitability. This was in 1995, and it is worth noting that this survey into reasons for not recruiting employees
during the previous 12 months was conducted at a time when there was a lot of debate and a lot of discussion about unfair dismissal legislation. Out of that exhaustive, large survey, only 0.9 per cent of respondents said that they had not recruited employees due to unfair dismissal legislation.

Those are the facts in relation to the impediments small business people face in employing more workers. It is not a case of these people jumping over the barricades and saying to the government, ‘Look, if it were easier for us to sack people, we’d employ more staff.’ It is rather a case of this government having the ideological view that it is always better for business if you are able to sack people at your whim, and thinking, ‘Therefore, we will dress up this whole debate about us achieving our end to make it easier for companies to sack people by saying that this is what small business wants.’

Obviously, this is not truly what small business wants. It has been a misrepresentation by Rob Bastian and COSBOA. It has been a misrepresentation by this government. Any reasonable consideration of the research in relation to this would demonstrate that in fact the biggest impediment to small business employing people is not that they would like to be able to sack people more easily but, rather, for other very sensible reasons. I have to point out that this dressing up of the government’s interest in small business really demonstrates amazing hypocrisy on behalf of the government. This is a government which has put in place a GST, which everyone knows has a disproportionate effect on the smallest small businesses in Australia. We all know that the smaller your business is the more you are suffering as a result of the administration and compliance required as part of the GST. We also know that most of these smaller businesses are based in rural and regional Australia. So this is a government which has put in place a crushing GST which is having a massive effect on the profitability of small business people.

We know that this is a government that cares very little for the interests of rural and regional Australia. Now it is asking us to sign off and approve this bill, which it has tried twice previously to get through the parliament, so that it can make it even easier for people to sack staff—which we all know will have a disproportionate effect on those workers who live in rural and regional Australia. Those of us who represent rural electorates know that this is not the type of legislation that people want to see. They want to see measures from this government which will make it possible for those of us who live in rural and regional Australia to have good productive lives and to make a real contribution without the threat of job insecurity. (Time expired)

Mr CHARLES (La Trobe) (12.09 p.m.)—I am delighted to this afternoon participate in the debate about the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2]. This is not the first time that I have taken the opportunity to comment on this legislation. Back in 1996-97 when the coalition, with the agreement of parties in the Senate, brought in some fairly major amendments to our industrial relations—now called workplace relations—regime, included in those provisions were some provisions to try to ameliorate the disastrous effects of an escalating number of claims by individuals who lost their jobs to have been unfairly dismissed. Quite honestly, Madam Deputy Speaker, I do not know about you, but I do not think I have met anyone who has been dismissed that thought they were fairly dealt with.

There was this huge escalation, and it was such an issue that you could not enter any business, whether it was major industry or medium sized business or small business, where the proprietor or the managers, or even the staff, did not list as almost the number one issue on their plates the real, severe problem they had which was caused by the Labor government’s attention to unfair dismissals and the unions progressing every claim, no matter how minor, no matter how unjustified, through the court system. It tied employers up. It cost them sometimes $20,000 or $30,000 a case as well as their legal fees, and it was an absolute nightmare.
I am pleased to report to the House that there has been a reasonably significant fall in the number of unfair dismissal cases taken to the Industrial Relations Commission since that major legislation came into place. That is very positive. But there are a couple of issues that have not yet been dealt with in the manner in which they might, to help do two things. And, really, this bill is about two issues. It is about, firstly, small business and trying to take some of the regulatory burden off small business and their perception of what that burden is. One of their perceptions is that they may run into unreasonable difficulty if they hire an employee, subsequently find the employee is not performing satisfactorily and dismiss the employee only to find themselves in court—and that is a very expensive procedure. If you are a one-man show, or a one-woman show, and you have got one employee and that employee turns out to be unsatisfactory, you go through the proper procedures and dismiss the employee and then find yourself in court, you are going to have to literally shut your business down while you go to court and try to defend the case. That is not good for business. It gives small business people a perception that the system is more important than they are, and it provides a disincentive to employing more people.

So the bill is about small business and it is about new employees. And I think all of us would agree that the higher the employment base and the lower the unemployment rate the better off this country is. You, Madam Deputy Speaker Kelly, the shadow minister at the table, the member for Dobell, and I, as three of parliament's only six engineers, well know the value of business and industry to the economy. And the people who are going to invest their money to build businesses and to build jobs should have our greatest respect. So we should try to help industry as much as we can, and not put obstacles in their way.

As I said, this is not the first time I have spoken on this legislation. We have tried several times to get it through this House, where we were successful, and to get it through the Senate, where we have failed. So both Labor and the Democrats in this respect have been obstructionist. The measures in this bill are fairly minor. They simply say, firstly, that a small business with 15 or fewer employees will not be subject to unfair dismissal rules with respect to new employees—not existing employees; those employees on your books today would remain there. So, if finally the ALP gives up or the Democrats give up and allow this bill through the Senate after we pass it through the House, new employees for small businesses will no longer be subject to the unfair dismissal rule. Small business will be subject to illegal dismissal rules for such things as dismissing an employee because of their colour, religion, sex or age or because they might have become pregnant. Those are all illegal issues and are not affected by this legislation.

The second thing the legislation will do is to extend the trial period for new employees, excepting apprentices and trainees, to six months. So, if during the first six months you found that a new employee was not what you had expected them to be and the work was not turning out satisfactorily, you could dismiss the employee who was there on a trial basis for six months without being subject to the unfair dismissal rules of the Workplace Relations Act.

The Labor Party wants to take the very positive things that this coalition has done in industrial relations reform and roll them back. The Labor Party talks about roll-back on GST, but I can tell you that the shadow minister for industrial relations, who takes his marching orders from the ACTU and the major amalgamated unions—that is for sure—wants to roll back IR.

Mr Lee—I remember this speech—you gave it in 1996.

Mr CHARLES—Mate, I give the same speech lots of times—it depends on the audience. Labor simply want to go back to the era where the unions were more powerful than employers and we had this whole regulated system of rules rather than allowing individuals and their employers to sit down and work out for themselves their relationships at their employment level. That is the
system Labor brought in. That is really what it ought to be all about. If Labor were to win the next election—and heaven help us if they do—and roll back the changes that we have made, we should examine what exactly would be the outcome of such roll-back. All of us know that since 1996 we have seen a very substantial increase in productivity in Australia’s business world. That increase in productivity has allowed an increase in real wages.

We had some debate during question time yesterday about Labor’s failed policy during the accord years, of restraining real wage growth so that real wages actually fell—and people were happy about that—and adjusting social policy, supposedly, to take care of the fall in real wages. That was not very good for the economy and it certainly was not very good for employees. Along with increased productivity comes real increases in real wages. That is made possible because we are doing things more efficiently and we can compete more favourably, both here against products coming in from offshore and internationally with exports. We have noticed the current account deficit being attacked on a regular basis now with a dramatic increase in exports, and that trading position is serving Australia extremely well.

As a result of the industrial relations changes that we made, we have seen increased productivity, increased real wages and increased employment. Those are very positive, real indicators not just for the economist but for real men and women out there in Australia. More people have jobs, and that kicks the economy along a little better—they live better, they can do more things for their children, their education standards are likely to be improved, their living standards are improved and society moves on. But Labor would roll back the IR reforms and what is now a working system where employees and employers can decide for themselves their working relationship, wages and conditions of employment and how they relate to each other during the working day in order to continually improve productivity and so make good products and supply good services that this country wants and other countries want. They would roll that back—in order to do what? In order to give more power to the trade unions.

Why? The answer is so simple. This Labor Party is not like the Labour Party in Great Britain. The Labour Party in Great Britain finally woke up to themselves, finally grew up, and said to the unions, ‘We are going to an election as the Labour Party but we are no longer tied to the unions, and we will not roll back the reforms that Margaret Thatcher made to industrial relations in Great Britain.’ And they have not. But that mob over there are so tied to the unions that, financially, they cannot afford to divorce themselves from the unions—that is point 1—and in a practical policy sense they take their marching orders constantly from the union bosses, not from the workers on the factory floor. That is point 2. Something like 50 per cent of members and senators come from a union background. I say to you that that is not healthy.

Along with increased employment comes reduced unemployment. We all know the benefits of that—the benefits to the economy because tax rates can be lower because we do not need as much taxation revenue to go to support those people who are without work, no matter how hard they try to find it. With roll-back, we will also get increased industrial action—that is, an increase in the number of strikes. That will not be good for Australia. We can all remember what terrible disruption we had to the country, notwithstanding this great accord between the unions and the Labor government, over 13 years. The strike rate was horrific. A Liberal government has reformed the Industrial Relations Act. Industrial action is now at a record low level. We cannot afford to roll back, to allow industrial action to take off again.

The other thing that has been reduced over the last number of years is the level of union membership. I think that in the private sector union membership is now in the order of 20 per cent. One in five people employed in the private sector has chosen to belong to trade unions. We have a problem on the horizon because the unions have decided to pursue a
campaign of charging what is in effect union dues, or a fee for a so-called service, to non-members if, on behalf of employees in an organisation, they strike a deal with management about wages and conditions. They want to charge all the employees that are not union members for doing that deal. That is absolutely ludicrous. This really is Gestapo type stuff. This is telling people that, even though they do not want to belong to an organisation, they must belong to the organisation or pay fees just like they would if they belonged to it. It is an obvious attempt to build up the union funds which have been decreasing because of loss of membership. It is also a blatant attempt to force compulsory union membership back into the system.

I remember back to the period between 1990 and 1992 when on two occasions I introduced into this House a private member’s bill for voluntary membership of association. We debated the bill and Labor Party members stood up and said, ‘We believe in compulsory union membership. We believe in the closed shop. We believe that employees who work in a company should be forced to join trade unions whether they want to or not.’ I think most of us know that that is nonsense, that we have an implied right of freedom of association in this country that has been upheld many times by our High Court. Labor’s support of de facto compulsory union membership will further roll back the IR system and the individual rights of Australian working men and women.

Labor also promise, in their revised industrial relations program, their roll back of IR. They promise to remove the Office of the Employment Advocate. That would really be a shame because the Employment Advocate and his office have acted to help thousands upon thousands of individuals who work in companies and who require advice about their rights, their entitlements and how they should be treated, as well as provided assistance, particularly to small business, to help them understand the complexities of the law and what their responsibilities and rights are under the system. We all know that when we write laws in this place they do not get any shorter; they do not get smaller. They keep getting bigger and bigger. It does not matter which party is in government; it is the same on both sides of politics.

Small businesses and employees need a simple, clean-cut way to advice. That is the Office of the Employment Advocate. But Labor would roll it back because they do not believe in individuals having the right to sign contracts of employment with their employers without a union being involved. You have got to have a union involved; otherwise you run out of fees—you run out of the money to support your election campaigns and you run out of the policy advice on how to drive government. If Labor gain office, the unions will get more power. There will be more finances for the ALP and the community then suffers.

This bill has two very major advantages. Firstly, it will encourage new employment. I think all members of the House would support such an objective. Secondly, it will reduce the costs of business and the psychological impediments to business for small businesses which believe that the complex system of unfair dismissals causes them nothing but grief. For those reasons, I support the legislation. I hope that on this occasion the ALP will change its mind and support the bill. I suspect that my hopes are likely to be frustrated.

Mr HORNE (Paterson) (12.28 p.m.)—Isn’t it interesting to come into this chamber and listen to the outpouring of fears from the bogymen of yesteryear. We just heard the member for La Trobe say in his speech that about 20 per cent of Australia’s workforce are union members. Yet on the government side it is the thing that is feared most. One-fifth of workers are covered by unions. What this legislation is all about is reducing the power of unions. I am quite happy to state that I am a union member, I have always been a union member, and I will die a union member. As a union member we fought Labor governments, we fought coalition governments, but we always fought for the worker. That is the strength of unions. That is what the government does not recognise—that workers want to belong to organisations that support them. This is a government that
is about destroying that. This is a piece of legislation that goes right to that. Every government speaker has talked about the power of the unions, yet the relevant minister, Minister Abbott, told us yesterday how the role of unions is diminishing.

It is also interesting to come in here and listen to the piety and the arrogance of a party that claims to be the champion of small business people in Australia. This morning I have been phoning small business people who responded to a small business survey I conducted, and I can assure this House that, if this government thinks that it is in touch with the needs of small business, well, I have got news for it. Small business people do not believe this government supports them. So the news for this government is not good. This is a government that believes that, if you make it easier for an employer to sack or to dismiss people, employers are going to employ more people. That is always an interesting concept: make it easier for employers to sack people and they will turn around and employ more. That was always the conundrum posed by the former minister. I notice he has moved on, and I will be interested to see the workplace relationships he brings to his new portfolio of Defence.

When you get down to what workplace relations are about, you realise the only things that any worker has to bargain with are his or her skills, his or her ability and his or her loyalty to their employer. Fortunately, most employers recognise that. I believe most employers are honourable people who try to do the right thing by their employees. Unfortunately, some do not. Unfortunately, those who do not are being aided and abetted by this government in doing that. Later, I will give examples of the sort of support that this government has lent to unscrupulous business people.

This Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] is really competition policy gone mad. This is a government that hates unions so much that it transfers that hatred to workers. This is a government that wants to see workers living in that uncertain world. Already in this debate we have heard drivel from a number of members opposite—and the last speaker was no exception—and their complete furphy about unionism, which I have already mentioned: that union membership is declining and how the effect of unions on our work force is greatly reduced to what it used to be. But unionism is still the major fear; it will still be the major part of the argument on the other side. I am sure that many members of the government will not rest until the last unionist in Australia no longer exists, no longer draws breath. Why? Unionism is something that is vitally necessary to people who do not have the skills to defend themselves, people who have a low level of education, who have a low skill standard and who do not have the confidence to stand up and discuss their working conditions with their boss.

In a world where we continually read of workers being requested to work unpaid overtime, it is clear that these workers do not have the confidence to say, ‘No, I do not want to work back late tonight,’ because they know that, if they refuse to work the over-time, either they will lose their job or the workplace will become so unpleasant, so untenable, that they will leave. I have had young people, in particular, tell me that. This concept being promoted by the government has even spread to some of the Job Network people. I have recently had complaints from a number of job seekers, asking me if it is right that they should go and give a free day to a prospective employer so that that employer can see whether they are suitable for the job. It is being suggested by a number of Job Network providers that job seekers give a free day. These young job seekers have already talked about this to some of their friends who say to them, ‘Oh, yes, I gave them a free day a couple of weeks ago.’ This is the sort of thing that is being encouraged, particularly in the tourism industry.

This legislation is really an ideological argument and a move by the government to reduce protection for workers. This is a piece of legislation to make workers more vulnerable—and, might I say, the greatest effect will be on workers at the lowest level of edu-
cation, at the lowest level of skills, at the lowest level of the socioeconomic spectrum. I find it interesting that this is the facet of workplace relations that the government want to pursue most vigorously. I would be pleased if the government pursued workers' entitlements with as much vigour—but they do not; or the workplace environment with respect to occupational health and safety for workers—but they do not. This is the one facet that they attack vigorously. Maybe the government would like to talk about whether workers are being paid the correct rates for the overtime that they work. After all, statistics show that workers are working more unpaid overtime than ever before. Are they doing it out of love for the job? Are they doing it because they want to be there, or are they doing it out of fear? We will never know unless we ask the question—but you can be guaranteed that this government will not ask that question. This is a government that will continue to take that sort of thing for granted and say, 'It is a trend in the workforce.' Workers are so enamoured with their workplace that they will stay there to work on average an extra 10 or 12 hours a week! They are doing it because they know that, if they do not, they probably will not have a job.

I notice in the minister’s second reading speech that he claims that the government is not reintroducing this bill because it wants to have an election over it. We are all aware of the credibility of this government over recent weeks, and only time will tell. I guess a double dissolution looks a less likely outcome now than it did late last year when the minister introduced this legislation, so maybe it will not be the cornerstone of the next election. But you can be confident that it will be raised significantly by all of those people in the country who want the cheap labour and who want the competition for the last few jobs that are around.

The minister also criticised the Labor Party and the Democrats for having the temerity to oppose this measure, claiming that we will leave more families to cope with employment and continuing economic and social disadvantage. I represent a major part of the Hunter region where the unemployment rate is still about 12 per cent, despite having one of the most skilled workforces in Australia. I am not aware of the former minister having been there in recent times. I guess we can look forward to him coming there now, as I have in my electorate one of the biggest RAAF establishments in Australia. I know the sort of welcome he will get, because people do not forget the way he administered his portfolio as workplace relations minister.

Let me tell the House of some of the work practices this government has condoned over recent years. I could talk about the infamous saga of the Korean chicken sexers in 1997. We all know that unskilled foreign workers are not supposed to come into this country and replace unskilled Australian workers, yet a number of chicken sexers from Korea were brought in by a large firm, which has since been sold. The Korean chicken sexers who were brought in replaced Australian chicken sexers. This government supported it. The workers were given permission to come to Australia and replace Australian workers. At the time it created a major hubbub in the Hunter. I am pleased to say that I opposed it. I fought it bitterly. There is only one of those Korean chicken sexers still in Australia. The jobs have gone back to the Australians who were doing it before. It is now realised that the Australians did it better, and they did it cheaper.

Or I could tell the House about an experience I had just before Christmas. It was a Saturday morning. Madam Deputy Speaker Kelly, I think I have told you before that I live on a rural property. It is not far out of the town of Raymond Terrace. My wife was having her hair done so she was not home. Our house is 300 or 400 metres away from the gate. As I was leaving I noticed a van. The driver was Asian. There was a young boy sitting next to him in this van. They were parked at my gateway. They had to move so that I could drive my car out. As I drove it out, I noticed that this vehicle
stopped, did a U-turn and then proceeded to drive down my driveway. I smartly turned my car around, followed them in, stopped their vehicle and said, ‘What are you doing here?’ The driver could not speak English. The young fellow said: ‘We are looking for shopping trolleys.’ I said, ‘Well you are on private property, and I can assure you that you will not find any shopping trolleys here. Why are you looking for shopping trolleys?’ ‘We have the contract to collect the shopping trolleys for Woolworths.’ I said, ‘What about the guy driving the car?’ ‘He has the contract.’

The following week I went to Woolworths and spoke with the manager. I said, ‘Could you please tell me who has the contract to collect your shopping trolleys?’ ‘It is a Sydney firm,’ he said. I said, ‘Who do they employ?’ ‘They employ a large number of Asians who come to Raymond Terrace and stay at a hotel—I have no idea what they are paid—and they collect our shopping trolleys. The contract is for about $1,700 a week.’ I said, ‘Would you not be better, in a town with high youth unemployment, offering those jobs to young Australians?’ ‘Well, you see, we do it on contract basis and whoever does the job for the least money gets the job.’

Or we could talk about the story that was in the Daily Telegraph this week about the Indian workers who are building a temple in Wollongong. Then we heard on the news that night that it was claimed they were volunteer workers. If we had a government that was fair dinkum about workplace relations and that wanted to go out and pursue those issues, they would get support. But we do not. We have a government that wants to hound honest Australian workers, when all they want in life is a job. They want to know that at the end of every week they have a job, that they will be able to support a family, that they will have a future in this country. They hear of the wealth and prosperity that has been achieved by the Howard government and they want to know when they will share in it, because under this government they are certainly not doing that. This legislation continues to strip away workers’ rights.

I could talk about the workers’ entitlements of a Newcastle company—a fight that has been going on for months—called Steel Tank and Pipe that closed down its factory before Christmas last year. We could talk about the shock suffered by those workers when they discovered that they were no longer employed by Steel Tank and Pipe. Their employment had been transferred from shelf company to shelf company to shelf company until finally, when the factory closed, they were employed by a company that had no assets, that had no cash and that had paid no entitlements into any account. What did we hear from the minister about that? Did we hear words of compassion? Did we hear words of concern? Did we hear words of anger to reflect the anger of those people? We did not hear one word. Yet this government says that it is introducing this legislation to guarantee workers’ rights. That is rubbish, and the government knows it.

This is a populist piece of legislation that this government supposedly wants to introduce to curry favour with small business people, yet earlier we heard the member for Prospect advise this House that unfair dismissal does not even rank in the top 20 issues with small business people. This is a government that is completely out of touch with the needs of small business people in Australia and it should be condemned for it. The amazing thing is that the government is defending this piece of legislation—a piece of legislation which will, as I said, make it easier to sack people—by saying that it will cause more people to be employed. It is a piece of legislation that will increase uncertainty for workers.

I am pleased that the Minister for Health and Aged Care is here, because I know he is concerned about a statistic—I know the Prime Minister is concerned about the same statistic, as is every member of this House, and rightly so—that is, that Australia has one of the highest suicide rates in the world. I have no doubt that one of the contributing factors to suicide is uncertainty. I would imagine that, if you have no idea where your future lies, what tomorrow will bring, what you will be able to do or whether there will
be food on the table or a roof over your head, those factors would be major contributors to suicide. This legislation should be condemned, because it increases the uncertainty of all Australian workers. The tragedy is that this is a government that is out of touch with the real needs of Australian people. This is a government that wants to introduce populist pieces of legislation to increase its opportunity at the next election. After all, we saw a headline in the paper the other day quoting the Prime Minister as having said, ‘I’m about winning elections.’ To me, that condemns the Prime Minister, because what every Prime Minister and every government should be about is the rights of Australian people.

Mr St Clair (New England) (12.47 p.m.)—Again I have the pleasure of standing in this House. In the 2½ years I have been here I have taken every opportunity to talk about the necessity for this type of bill to be passed through this House and, more importantly, to be passed through the Senate. I listened with interest to the member for Paterson. He often makes good contributions to this place. However, in 20 minutes he said nothing of a concrete nature about the way that the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] will help small business. I rise in support of this bill. As I have said on many occasions in this place before—and it needs to be repeated—small business is the engine room of this nation for the generation of jobs and wealth.

No issue has been raised with me as the member for New England more often in the last 2½ years as I go around the electorate than the outdated unfair dismissal legislation which was brought in during the 13 dark years of Labor government. A large number of employers, particularly small business employers, have said to me, ‘Stuart, if the government would exempt employers who employ under 15 employees from the unfair dismissal laws we would employ more people. We would create more jobs.’ Small businesses need to employ more people. They want to grow. They want to remove the impediments to doing business. But they will not take the risk of hiring people until these laws are changed.

This government went to the people on 3 October 1998 with the proposal to reintroduce the necessary legislation to exempt small business from this anti-employment, anti-development and anti-small business legislation. The Australian people gave the Howard government a clear, fresh mandate in the people’s house, in this place, to bring the necessary changes into being. It is a shame that members have been elected to this place who have the sole intention of destroying the Australian work force. Unlike the Howard-Anderson government, the Labor Party and the Democrats are out in force to stop any reforms to the Workplace Relations Act. The reforms put up by this government, only to be knocked on the head by the opposition, are vital to the future generations of Australia. It is interesting to note that the Australian Labor Party and the Australian Democrats in the Senate rejected this same piece of legislation, amending the Workplace Relations Act 1996, on 2 December 1998. They again rejected the legislation on 14 August last year. The Democrats claim that small business should not be subjected to the same laws as big business, yet when legislation was brought forward to specifically help small business it was rejected. Is this keeping the bastards honest? Could this be because most of those who reside in the Senate have never and will never employ anyone in small business. The Labor and Democrat senators are out of touch—or should I say they never have been in touch—with small business in this nation.

I came across an interesting fact last night. I was wondering how many senators from the Labor Party and the Democrats have a small business background, so I quickly looked through the Parliament House web page to see how many gave their profession as small business in their biography—or any business at all, for that matter. The answer shocked me. Only one—Senator Andrew Murray, a Democrat—gave his profession as businessman. Having listened to Senator Murray on various committees that I share with him, I know he has an understanding of small business because he has been involved in it. As there is only one non-coalition
senator from small business, this may be the reason unfair dismissal legislation amendments are not getting through the Senate. It is very hard to promote to a group of people the benefit of this bill for small business when none of them has ever been involved in small business. Yet the Democrats claim that they support small business and believe that small business should be treated differently from big business. Let me assure you that the only party that truly represents small business is my party, the National Party, and the only party that represents rural and regional Australia is also the National Party. The Labor Party’s track record towards small business only proves that they are out of touch, particularly when they say, ‘Evidence the opposition has gathered says that unfair dismissal is not affecting the employment opportunities in small business.’ What rubbish. I heard the member for Paterson say the same; he is saying that it is not an issue.

The Labor Party has a dismal record of job creation in the private sector. This is what it is about. However, they do have a very successful record in achieving higher levels of employment in the public sector. This is because very few of those sitting on the opposite side of the chamber have ever been employed in the private sector, and even fewer have actually come out of small business. The Labor Party believes simply that the government spending more money to prop up the public sector should create jobs. It does not create jobs. Look at the employment record of those who sit on the opposition benches. Where do they come from? They certainly do not come from the small business sector. It is little wonder that small business has no faith in the system when they look at the background of the commissioners that reside in the federal industrial commission. Not many of them have come out of the small business sector either. Therefore, in my opinion, they have very little standing in the small business community and very little understanding of the way that small business operates.

There is extensive evidence of the difficulties that unfair dismissal laws cause for small businesses that experience a claim—there is not just the cost of the settlement when it occurs, but the time and the location of the hearing. This causes stress, costs to business in lost time, disruption to working relationships and the cost of defending the application. We have to remember that, when we are talking small business, we are often talking about the mums and dads, or the brothers and sisters that operate businesses in this country. In my own town of Guyra, two young fellows, brothers, operate a metal fabrication business. I know that they would employ more people if they were not subject to this draconian legislation. That is why they support, as do others through the New England region, the fact that we have to change this legislation.

There is no doubt that these burdens affect the will and the employment intentions of small business, even those who have not experienced a claim. It is the fear that they are concerned about. The sad thing about the present laws is that they were brought in to protect working men and working women in this nation, and those laws failed. They failed to understand that small business would not take the risk to hire people if they cannot put them off. Those same laws are now acting as a hindrance to the employment of not only experienced workers but also those young people who so desperately need to work, who need to be given a go. The unfair dismissal laws are laws which merely guarantee tension and mistrust in the workplace.

In a survey of small business by Brian Sweeney and Associates in October 1997, one of the questions asked was: ‘In your opinion, would small business be better off, worse off or no different if they were exempt from unfair dismissal laws?’ Eighty-three per cent of the people who responded in New South Wales said small business would be better off. These people understand the unfair dismissal legislation is hurting them. Yet the Labor Party has the nerve to stand in here repeatedly during these debates and say that these current unfair dismissal laws are not restricting employment in our regional and rural towns. They are: I live in regional Australia, I live in country Australia, I live in a
small town. I understand that they are restricting employment opportunities.

Since 1996 when the coalition came to power, an average of 92 working days have been lost per 1,000 employees due to industrial action, compared with Labor’s average of 190 working days lost per thousand employees. Most industrial action that occurs today is in the Labor government states. In February, 92 per cent of industrial action was in Victoria, New South Wales and Queensland. It will be interesting to see what happens now in Western Australia. This government has an outstanding record of achievement when it comes to workplace relations and industrial relations reform.

I would like to remind the House of a few of these highlights since this government came to power. But before I do so, the member for Paterson raised the issue of the great success of the trade unions. I am a great believer that trade unions need to be strong, and I have said that before; it is on the public record. But if they have great success in delivering a service, why is membership declining? We need strong unions. We need strong support. I have argued that in this place but, obviously, they are not providing the services that employees want.

Since this government came into power in 1996, it has increased total employment to a historical high of over nine million jobs seasonally adjusted—up 699,600 from when Labor left office in April. Australia has broken through that nine million mark, which I think is a milestone. This rate of job creation has been twice as fast as job growth under Labor. Average annual jobs growth under the coalition has been 171,300 jobs compared with just 70,600 under the Labor Party.

Full-time jobs have been the coalition’s hallmark. In my own electorate, I often talk with and listen to business people and people looking for jobs. One of the things that we want to create is long-term, full-time jobs. This week alone, I had the pleasure of being with Cargill Foods Australia in Tamworth where they have just completed an $8 million upgrade to their abattoirs, providing opportunities for long-term jobs and growth of jobs. I will have the pleasure to be there shortly towards the end of this month to be part of the opening of a new sheepmeat abattoir, which again will provide another 130 or so long-term jobs.

Over the year to April 2000, employment increased, seasonally adjusted, by 291,900 jobs, of which over 70 per cent have been new, full-time jobs. Full-time jobs have grown by 381,200—over seven times more new full-time jobs than Labor created in its last two terms of government. We reformed the waterfront. They are achieving milestones that they never believed could be achieved. With the assistance of the government’s industry-funded redundancy scheme, overmanning has dramatically reduced. Net rates of 30 containers an hour are now being achieved—almost double the previous performance. We are seeing the results of that now, with our exports climbing and the fact that people now have confidence to know that people on the wharves are working well, working together as a team and producing an outcome for Australia. These rates are being achieved with gang sizes half of what they were. Productivity is, therefore, approaching a 400 per cent improvement. Yet the unions told us they could not do that. But their people are.

We fulfilled our commitment to increase the number of apprenticeships. I thank the minister and this government for that. We introduced the work for the dole scheme. I can assure you, Mr Deputy Speaker, in my electorate, as I am sure in yours, there are great work for the dole programs out there giving and strengthening the experience, skills and work ethics of those seeking employment in small business.

Let us look at the Labor Party’s record towards small business: up to 24 per cent interest rates for business loans. I remember that. I do remember that. I was in small business for 27 or 28 years—all through that period. I remember putting in a new sawmill and the interest rates that I had to pay at that time were crippling. We must never forget that. There was high inflation and no policy for small business—none at all; the whole-
sale sales tax system, which led to an unemployment rate that peaked at some 11.4 per cent; and the unions’ reliance on the Labor Party: they have restricted employees and employers in the agreement outcomes that they could opt for, limiting the scope to obtain improved pay in exchange for productivity improvements and reform conditions.

The unions were provided with power in the industrial relations system, which they had not earned as effective service providers for workers. That is what I was talking about before. Between 1990 and 1999, unions lost some 781,000 members. Today, the NRMA has as many members as the combined membership of all unions put together—those are interesting statistics—even though the NRMA is a single motoring organisation based mainly in one state, New South Wales. Unions became distanced and aloof from their workers and formed large super unions which functioned like monopolies. Union rorts went unchallenged at the expense of ordinary workers and small business.

This government, compared with the Labor Party, has encouraged high labour productivity, higher wages, workplace choices and individual freedoms. It has streamlined and simplified the workplace relations system, putting the emphasis on the workers and business, not on the institutions, ensuring that unions operate on the same basis as other service organisations. Some are doing exceptionally well in providing that level of service for their members. They have to win members by offering improved services, not by special legislative privileges.

Union bosses are now equal under the law and cannot inflict illegal economic damage without being accountable to the ordinary courts. I think that is good. Labor’s policies on workplace relations are nothing short of a joke. No Labor Prime Minister or industrial relations minister ever attempted to establish a scheme to protect workers’ pay and entitlements from business insolvency. We heard the previous speaker talk about that. We heard the previous speaker from that side talk about the fact that he believed there was no support for them, and yet in all those years that the Labor Party was in power in Australia in this place nobody from their side introduced any scheme whatsoever to protect workers’ pay and entitlements. I think the duplicity and the dishonesty there need to be highlighted.

Eight separate accords negotiated with the unions over 13 years were also unable to propose a solution. They never brought forward a solution. The ACTU’s own figures suggest that some 220,000-odd workers were left unprotected by Labor and lost about $1¼ million of entitlements. Employees were not able to make a free choice as to whether or not they wished to be a member of a union and received limited assistance if they confronted any difficulties in exercising their rights. Indeed, union closed shops and union preference clauses were encouraged.

Labor believes in increasing the power of unions and widening the role of the Australian Industrial Relations Commission. These policies are little wonder when Labor’s parliamentary ranks are stacked with ex-union officials. Labor is opposed to, and continues to oppose, the implementation of the coalition election promises that would deliver more jobs and better pay. The unions’ wish list was forced on the ALP by the millions of dollars in political donations made to the ALP during each federal election campaign. In 1983 union bosses controlled less than a third of Labor’s Senate seats, whereas today over two-thirds are former union officials. (Time expired)

Ms LIVERMORE (Capricornia) (1.07 p.m.)—I am opposing Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] for the reasons that we have heard so many times in this House; they are the reasons the bill has been opposed in the past. I support the amendments put by the shadow minister. I believe those amendments reflect the needs of the Australian community. They really detail what a government should be concerned about—that is, if the government was actually in touch with the Australian community. The amendments are about protecting the job security of Australian workers and ensuring a fair and independent system
for workers to access if their rights in the workplace have been breached.

I wish the Howard government would put half the effort into keeping its promise to Australians on petrol prices that it has put into attacking workers and their job security over the past couple of years. How many hours and months of effort have they poured into this bill, which will do nothing to create better lives for workers and their families? It will create nothing meaningful to improve the outlook for small businesses and nothing to relieve the high levels of unemployment and underemployment that still exist in regional Australia—that is, the parts of Australia that the Howard government has given up on.

If you look at the history of this bill, it says it all, I think, in terms of the merits that this bill is purported to have. The bill has been defeated twice in the previous parliament. It was debated in this House in December 1998 and consequently rejected by the Senate on very good grounds. Throughout all of this we have had to put up with the then minister, Peter Reith, carrying on with accusations of Labor’s links to the union movement and outrageous claims about the impact of this proposal on small business. We heard all of the claims of the streets being paved with gold for small business and massive increases in employment if only this bill, which purports to completely take away the rights of employees, was passed. Those claims about the impact of unfair dismissal legislation on employment have never been substantiated. When you look at the figures put about by Peter Reith compared to the real figures, they are ridiculous.

Here we are debating this bill yet again, and the only thing that has changed is the minister. So the end result should be the same. This bill should continue to be rejected for the same reasons it has been in the past. The need for workers to have some security in their workplace is the same. The concern about the high level of casualisation of our workforce is the same. The need for fairness in the industrial relations system is the same—that is, the need for some balance between the rights of employers and employees and the resort to an independent industrial umpire to oversee that both sets of rights are upheld and respected. Fairness in the industrial relations system is an alien concept to this government. Peter Reith may have gone, but the ‘dogs and balaclavas’ approach is still driving the agenda. There is simply no acknowledgment that employees have rights and interests in regard to their workplaces that deserve to be respected and, if necessary, protected through legislation.

This bill seeks to take away the rights of employees working in small businesses to have some protection against being dismissed in an unfair way. The effect of this bill will be unfair right across the board, but it has the particularly unfair effect of creating two classes of employees. We will end up with employees in larger businesses having the right to know that they have some job security and having the right to be treated fairly by their employer, but the same rights and protections will not be extended to those employees within small businesses.

There is also a massive loophole in the bill in that it does not prevent large companies from setting up artificial corporate arrangements where smaller companies are created employing fewer than 15 employees and, therefore, permitting employers to avoid their lawful obligations under the law. The bill also excludes casuals from the calculation of the number of employees. I think this is a particularly dangerous side effect of this legislation. We already know in Australia that we have a very high rate of casualisation in our workforce of around the 27 per cent mark. This sort of legislation will serve only to encourage employers to further casualise their workplace.

As I move around the community every day I see how difficult life is for those people who are in casual employment. There is constant insecurity. They do not have the same level of protection as other employees. They are not able to get themselves established in their lives. They are not able to settle down knowing that their family is going to have a secure future. There is always that feeling of
sitting on the knife’s edge, and that is a very difficult position for people to be in at any stage of their lives but particularly for young people trying to start out in their lives, trying to enter into financial commitments such as home loans, car loans and things like that so that they can set themselves and their families up for the future.

You have to ask yourself: what is the government’s reason for wanting this bill? What is so urgent that it justifies stripping away workers’ rights and protections in the way that this bill seeks to do? We have heard from Minister Reith in the past and now Minister Abbott that this bill is absolutely necessary in order to create 50,000 new jobs in small business. That claim has already been proved to be seriously unsubstantiated—even before the introduction of the GST and the BAS form. That claim has never been substantiated in any way throughout the long history of this bill and its passage through the House and when it was the subject of the Senate inquiry. Maybe that 50,000 figure came to Peter Reith because it was the figure that he owed on his telecard, but 50,000 new jobs has never been a figure that has been substantiated by any evidence put forward.

Of course, the government’s claim to being the great protector of small business is even more seriously undermined today when we see what has happened with the impact of the GST on small businesses and the incredible burden that small businesses have suffered in coming to terms with the business activity statement and all of the compliance red tape that the GST has introduced. If I put the question to my local businesses, unfair dismissal laws would not even enter the conversation when talking about what is affecting their business today after the introduction of the GST.

Another reason that the government gives for the need for this bill is that it would ease the burden of unfair dismissal laws on small business when they are faced with unfair dismissal claims. I do not see the logic in that at all. An unfair dismissal claim comes about if an employer does something unlawful in the way they dismiss their employee. It comes about if you have done the wrong thing as an employer in terms of the way you have treated your employees. Why is it so much harder for small businesses to do the right thing by their employees as compared to larger businesses? There is no logic in that statement at all.

The government has also consistently said that it will provide a fairer balance between the rights of employers and employees and will deter frivolous claims. Again, that is not borne out in reality. After having worked at a community legal centre and also within the union movement, I have dealt with these claims on behalf of employees. It is not easy to bring about one of these claims successfully. You only take on the ones that have legs, the ones that have some prospect of succeeding; you do not just pull these things out of the air. The employee has to have a very good case for it to go anywhere. There have already been amendments to the law under this government which have tipped the balance in favour of employers with regard to changes to the onus of proof. That reason is also a furphy.

Coming back to figures relating to employment, which the government seems to believe is the strongest argument for the need for this bill, I repeat that throughout the Senate inquiry there was no real evidence supporting the claims that the government has consistently made. When you look at some of the figures for the last few years as to how many unfair dismissal claims there have been in the system, you can see just how ridiculous the minister’s and the government’s claims are. For example, in Queensland, the state in which I take the most interest, in 1998 the number of small business unfair dismissal applications was 93. Looking at the government’s calculations based on the 50,000 new jobs figure were this bill to be passed, in order to bear out the minister’s claim the effect of removing unfair dismissal claims for employees of small businesses would have to be the creation of 9,500 new jobs. That means that for every one unfair dismissal application in Queensland in 1998 some 100 jobs would have to be created. The
minister’s claims were always ridiculous, outrageous and unrealistic but, given the government’s slowness to react to the difficulties small business faces with the GST and the BAS, its credibility in this area is seriously undermined. This bill does nothing to protect the rights of workers and is very unfair in its intent and its impact.

What does the Howard government offer as an alternative to protect the jobs and rights of workers? It seeks to diminish those rights, and we have already seen plenty of examples of that. By pushing these amendments, the Howard government is telling ordinary Australians that their right to work and their right to security in their job are not worth protecting. That is entirely the wrong message to send to the people of Australia, especially in the current climate of economic change that is creating hardships right around the country. The government needs to assure Australians of job security and create an environment where Australians can be confident of such assurances. Instead, this government is doing the opposite.

One also has to question the wisdom of this government seeking these amendments in the present political climate. Despite the strong messages from Western Australia and Queensland, the government still does not get it. It is still not in touch with the community. People want governments that will care for them. They want governments that will protect their rights and protect their jobs and they want governments that can demonstrate that they are in touch with the needs of ordinary people. By pushing these amendments, the government is openly telling the people of Australia that it is not prepared to do this. It knows that it only has months to go before it could very well lose a federal election. I see this bill as a last-ditch effort by the government to leave behind a scorched-earth legacy when it goes.

So much of what passes for debate on industrial relations in this place is all about the government’s ideological obsession with the union movement, with the rights of ordinary working people in Australia to have some rights and expectations of what they should get out of their working life. For us on the Labor side, though, we look at what industrial relations changes mean to ordinary Australians. The most striking example in my community is, of course, what is happening in the coalfields in the western part of my electorate. I can tell members—and I have been telling them for 2½ years now—that the coalminers, their families and the communities in central Queensland are fed up with heartless companies and this government. They have borne the brunt of downsizing in the past few years, not to mention mine closures and job losses through the transfer of mining leases. Enough is enough. Enough was enough some time ago, but enough is enough definitely.

Apparently, this government does not appreciate the pain that mineworkers and mining communities have sustained over the years. By diluting or scrapping unfair dismissal laws, this government is encouraging companies like BHP to continue on the road of further casualisation, the increased use of contractors and the right to treat their workers with less and less respect for their needs in the workplace. We look at BHP, which plans the closure of at least three mines that we know of, and two of them are in central Queensland. These are the Kenmare and Laleham mines south of Blackwater. Those mine closures are coming at the same time as BHP is entering into enterprise bargaining negotiations with mining workers at their other mines in central Queensland. I had a look at the offer which BHP put out to the workforce last week and which has led to the strike that is happening right now. It just strips away any kind of job security for the workforce. It is talking about more and more contractors, more and more casualisation; you are going to get more drive-in, drive-out operations; and safety becomes a secondary issue for the operation. You are just looking at, as the miners refer to it, gipsy mining—where miners do not have a permanent, secure job; they do not have the right to settle in a town and have their family nearby while they are making a living. You will have more and more, as is happening already in central
Queensland, miners living in dongas out in the mining towns and working 12-hour shifts, with their families living on the coast and the miners not seeing their families and having to drive for three or four hours just to visit them. It is very destructive on a social level. It is very destructive on the communities that have been supported by the mining companies and the miners over the past 20 years in central Queensland. We are seeing the effects of all of that through small business closures, community services being lost and the downgrading of schools and hospitals that comes from the reduction of population in those towns.

In the past two years, the productivity of BHP coalmine workers in Australia rose by more than 50 per cent. In the same period, a total of 2,148 mineworkers in BHP coalmines, that it 38.4 per cent of BHP’s work force, were retrenched. In the past 18 months, the Blackwater work force delivered benefits worth $100 million to BHP. To achieve this, job losses were sustained and the company was granted flexibility. Productivity increased by more than 100 per cent. What is the reward for the work force after all of those concessions? More unnecessary closures of mines still rich in coal and more job losses! Is this any way for a company and a government to treat a work force that has made such extraordinary sacrifices in the name of productivity? Can the dismissal of those workers be considered in any way fair? I would say not. BHP is making billion-dollar profits. The BHP work force delivered those profits to the company. I support the CFMEU’s call for BHP to at last provide a community dividend, and this should be in the form of employment security and the welfare of communities. This is an important point. When companies like BHP mistreat and abuse their first-class work force in this manner, it is not just the employees who suffer; it is their families as well; it is their children and the communities that they have lived in and supported for so many years.

The attention of the government must be drawn to the commitment that coalmine workers have made to their communities. Not only do they spend their hard-earned wages in the community but they contribute millions to community organisations and community facilities. When you tear apart a work force you tear apart a community: small businesses go to the wall, services are lost and facilities downgraded, and community organisations close down.

While the government is so hell-bent on pushing this legislation through parliament in the name of increased employment, they let these kinds of job losses—200 in Blackwater, for example—happen at the flick of a switch or at the stroke of a pen. It completely undermines any credibility the government can have on claiming to stand up for employment. If the government is serious about employment in this country, why is it saying nothing about these jobs going at a wholesale rate? I know that the government will say that it is not just about employment in this country, why is it saying nothing about these jobs going at a wholesale rate? I know that the government will say that it is a commercial decision. I suppose in this government’s mind that makes it all right, that is the end of their obligation. The government refuses to try to put any brakes on companies like BHP, Rio Tinto, Shell and the other big players in the Bowen Basin that throw hundreds of workers out of work on a whim.

The writing is on the wall for this government, and it is because of the mean-spirited way that it has treated Australian workers and, indeed, the whole community over the last five years. This amendment is just one more example of the government not caring but, more importantly, one more example of this government not listening. How many times do we representatives in this House have to tell the government this kind of agenda of attacking workers and attacking job security is not acceptable and cannot be supported in any way?

Dr WASHER (Moore) (1.27 p.m.)—I did not have the opportunity to speak on this measure when it was first introduced in the House some three years ago, in 1997. I was out, as many ordinary Australians would term, in the real world practising medicine and involved in running several small businesses. I have the honour to be here in this great place of democracy to represent small
business and people young and old who are looking for work. To my dismay, Labor and the Democrats are still blocking this piece of legislation three years on and with another election on the score board. The Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] will amend the Workplace Relations Act to exclude new employees of small businesses from the federal unfair dismissals regime. The exemption would exist for those businesses employing fewer than 15 people. It also requires a six-month qualifying period of employment before employees can lodge a case of unfair dismissal against their employer. This is a commonsense measure that seeks to create a more balanced and fair workplace in Australia after 13 years under the job destroying policies of the Labor Party. After so many years, with a government that listened to unions and only unions whenever workplace reform was mentioned, we needed to restore a balance.

The compelling reasons behind this measure have been championed many times in this House, the Senate, the media, by small business organisations and by a majority report of a Senate committee. I, nevertheless, felt compelled to speak on this bill today as a member who was elected in 1998, along with my coalition colleagues, on a promise through our More Jobs, Better Pay policy not to give up on this measure—not to give up on the small business sector that employs nearly three million Australians.

This government promised the same in March 1996 as part of our workplace relations package, which received an overwhelming mandate from voters. Unfortunately, we have been unable to deliver our promise made at the last two elections and so we are here again today. Those in this House opposing this measure to exempt small businesses with 15 or fewer employees from unfair dismissal laws seem to believe that the fear and uncertainty caused by this law is some kind of urban myth. They believe the notion that these laws create a barrier to jobs growth as small business operators become reluctant to take on new staff to be some kind of fairytale made up by the minister. I can forgive the fact that this regressive conclusion can be drawn by many of those on the opposition benches, as I am a charitable person. If they have never had any experience in running a small business, they may not be able to fully comprehend what many employers go through.

I have had personal experience in running small businesses and the responsibility of searching for and hiring staff. I have also had the threat of an unfair dismissal levelled against me, despite all attempts at negotiation and even locating alternative employment for the person concerned. Fortunately, it did not reach the stage of court action, but it had the effect of making me think twice about finding a replacement. I know this also had an effect on the rest of my staff as they were required to work harder to compensate for the loss of the staff member. That is what concerned me the most. Perhaps this experience has left me with a very firm view about the passing of this legislation. If this is the case, there are many small business operators with worse experiences than mine who are in the same boat.

There are also many small business operators who hear of these experiences and have a perceived impediment in their minds. Whether this is justified through personal experience or not, it is still holding them back from hiring staff. Perceptions are very important in business. Even if those in opposition do not have the personal experience, they must speak to the small businesses in their electorates.

I find it hard to believe that the small business owners I have talked to in my electorate are in any way vastly different from those in, for example, the electorate of Brand in the state of Western Australia. In fact, I refuse to believe that the mechanical repair business in Rockingham does not face the same challenges when hiring staff as the one in my electorate in Joondalup. We all know that that is not the problem here. The problem is that small businesses in electorates held by the opposition are not getting a fair hearing on this issue. They are not being represented in this House when this legislation
has been debated over the past three years, and that is very wrong.

An issue raised in the Senate committee hearings into this legislation related to the concern that small businesses would use this exemption to continue to hire and fire staff with impunity in order to avoid keeping on someone into the qualifying period. Again, people who level this argument must have little experience in employing staff because, if they had, they would know how it is in everyone’s best interests to keep continuity in business. Hiring and firing is a costly, time consuming exercise, particularly in smaller operations as the effects are felt with great magnitude by management and staff as well as the productivity of the business.

In most cases if you look behind a successful business you will see staff who have been there for the long haul. Having employees whom you can trust and rely on is one of the greatest assets an employer could ever wish for. With current unfair dismissal laws, small businesses can now be extremely wary of taking on new staff, which is a huge disincentive for jobs growth. Often the issue of taking on additional staff is seen as a gamble that could have costly side effects if that gamble does not pay off.

A small business owner without the benefit of a human resources manager that larger companies have access to has a real fear of making a mistake when taking someone on. Some potential employees can look fantastic on paper. People can go to experts now to have them draw up a resume that can look quite impressive. Some employees can also perform expertly in a job interview, but it is often difficult to determine whether that person would work well within a small team environment, which is often required in a small business. Sometimes a person is just not right for the job.

Under the present system, many small business operators would rather struggle through increasing workloads for themselves and their existing staff than take the risk of employing someone new. We do not want to have small businesses thinking this way any more. A modern and viable work force cannot afford to have their employees thinking this way either. It cannot be denied that there are some unscrupulous employers out there. It has been noted in this House on previous occasions that workers are still protected from the conduct of these employers against unlawful termination if they are fired because they are ill, pregnant, a member of a union or, as the case may be, not a member of a union. They are still protected if they are fired on the basis of sex, race, disability and marital status. They can still seek recourse for this. Workers’ fundamental human rights are still protected under this legislation.

Much of the debate on this legislation has centred around various surveys on small businesses around the nation. I am always loath to rely too much on evidence gathered by these surveys because, as I have said in this House before, you can pretty much obtain whatever result you like from a survey by the way you frame the questions. That is just human nature and the nature of surveys. What bothers me is that those opposing this measure do not listen to the huge survey we tend to have every three or so years. Around 11 million people take part in this survey, which is more commonly known as a federal election.

In the past two elections, the coalition government was elected on a platform of changing the unfair dismissal laws to restore the balance between protecting workers’ rights and encouraging small businesses to take on more staff. This was clearly spelt out in our platform and not at the 11th hour, and that was also the case in relation to our policy to reform the tax system. It was shouted down by the opposition with predictions that the sky was going to fall in. But it was still voted for by the public, who saw past the rhetoric. I call on all members and senators to respect this result and allow this government to get on with the job that it was elected to do by passing this legislation.

(Quorum formed)

Mr HOLLIS (Throsby) (1.40 p.m.)—Thank you, Mr Deputy Speaker Jenkins, for your cooperation in assisting me to speak. Although I have great respect for the honour-
able member for Moore, I really did think that it was a bit rich when he claimed that the government’s success at the last two elections was purely because they were proposing some reform of the unfair dismissal law. I think people voted for a whole host of reasons at the last election. Quite frankly, I think that was fairly well down on anyone’s list in voting.

The Labor opposition has moved an amendment to the second reading of this legislation, urging the bill’s withdrawal and redrafting. Specifically, our amendment calls for increased job security and protection from harsh, unfair or unreasonable dismissal regardless of the size of the business. We have called for ready access to a fair and independent industrial umpire and the repeal of a paragraph in the Workplace Relations Act 1996 providing protection to employees under a contract of employment for a specified period or a specified task protection from unfair, unreasonable and harsh dismissal. Those who do not believe that this happens should go into the workforce occasionally and talk to some of the workers instead of only and always talking to the bosses.

The bill will exclude new employees in businesses with 15 or fewer employees from federal unfair dismissal provisions and establishes a qualifying period of six months before new employees are able to access the unfair dismissal system. The bill as proposed is a travesty. It is unfair and it is unnecessary. It has been rejected twice by this parliament. It is a fatally wounded piece of legislation and has no place coming back here for another try, and for the shallowest of purposes. Some might even see it as an election device.

Dr Martin—No!

Mr HOLLIS—I do not know, but some people may well see it that way.

Dr Martin—What—the trigger for a double dissolution?

Mr HOLLIS—They would be pretty brave if they went at the moment, but that is by the way. The government, under the hand of its former minister for workplace relations, could not accept this bill’s defeat and, consistent with its declared policy of public policy transparency, attempted to ignore the will of the parliament and instead sought its implementation through regulation on 17 December 1998.

It cannot be said that the government is not determined. It cannot be moved for years and months on issues like petrol price relief for motorists or on red tape for small business until the ballot box starts making clear that flexibility is necessary. But, when it comes to workers’ rights, the flexibility never wavers; it stands firm. The justification for introducing this bill has not deviated for two years, despite the rejection of it by the parliament. It is claimed the provisions are necessary to create 50,000 jobs, to implement the government’s mandate, to ease the burden on small business and to provide a fairer balance between the rights of employers and the rights of workers.

Despite the rhetoric, in all circumstances the bill is nothing short of another attempt to strip workers of their rights—rights, I might add, to stop their unfair dismissal from employment. That is a substantial right, one might suggest. The bill creates two classes of workers with different rights. The first are able to access unfair dismissal laws and expect fair treatment in the consideration of their applications. They can do it because they have the luxury of employment in a business with more than 15 employees. The second class are denied the same access and are prevented from recourse to unfair dismissal provisions. Their alleged crime: employment by a small business. The bill also creates an exploitative loophole by allowing employers with high-priced lawyers to establish corporate entities deliberately employing fewer than 15 workers and thus permitting the employer to avoid their lawful obligations. It has happened, and we have seen example after example during the two terms of this government. The government cannot deny the possibility of this loophole being exploited because it has steadfastly refused to reform the Corporations Law to protect workers’ entitlements.
The government would have us believe that unfair dismissal laws in Australia are too heavily balanced in favour of employees. Using this logic, it claims the only way to restore the balance is to take away most of the rights provided to workers in the unfair dismissal laws. The problem for the government is that it has already made amendments to unfair dismissal laws. It actually amended the former Labor government’s unfair dismissal legislation vigorously. By introducing this amending bill, the government is recognising the failure of its own legislation. The government’s amendments to Labor’s unfair dismissal legislation are instructive. For example, it changed the onus of the burden of proof from employer to employee in confirming in an application that there was unjust, unfair or harsh treatment in the process of dismissal. This, I might suggest, was a massive change, yet the government continues the rhetoric that unfair dismissal laws are just out of balance and need to be put right.

Even a law firm closely associated with the Prime Minister disagrees with the government’s sentiment of the substantial benefit to employees from the current unfair dismissal legislation.

The government’s initial amendments were wide ranging and substantial. Unfair dismissal laws were changed, and the balance of rights is clearly in the court of employers. With this bill the government now wishes to go a step further. In this debate about rights, as I have said, a worker’s right to access an appeal process in the event of dismissal is crucial. Workers have a right to access a system where they can test their grievance against dismissal by an employer. Some employers are not virtuous and do sack workers for wrong or convenient reasons. This bill undermines that right substantially and significantly weakens the safeguard of the unfair dismissal system by locking out small business employees for six months.

It is also claimed that small business in Australia is overburdened with requirements provided by the unfair dismissal laws. Small business operators in Australia must be laughing with despair at this hypocrisy. There are just three letters that burden small businesses in Australia and they are: G-S-T. Every small business in this country is a branch of the Australian Taxation Office collecting revenue for the Howard government. They are collecting taxes for the government on goods and services and, until the backflip by the government this week, small business operators were required to complete a business activity statement four times a year. That, I suggest, is the equivalent of overtime for small business people—scratching their head, pencil at the ready, punching digits into a calculator—extra hours doing unpaid tax collection work for the government. Small businesses are branches of the tax office. Every shop in every street is a tax collector. But in the government’s mind this is not a burden; they suggest it is for public service. To try to obtain redemption for this massive unprecedented tax impost on small business the government believes that whacking workers over unfair dismissal laws somehow will recoil the hostility of the small business community. Small business operators might have been fooled by the GST package peddled by the Howard government and their partners the Australian Democrats two years ago—and paid for by the taxpayers—but they now realise how conned they have been.

Like many members, I have heard stories of how unfair dismissal laws are judged a barrier to small business employing people. Indeed, I heard this view expressed at a luncheon—I think even the member for Cunningham was there—hosted during a visit by our parliamentary colleague the shadow minister for industrial relations to Wollongong last year. The view is a popular one amongst some, but ultimately it is a shallow view. I challenged that view by asking the person sitting opposite me to rate the issues preventing him from employing extra people in his business. I listened carefully and, to his credit, he was honest. Unfair dismissal laws came in on that list at No. 9. I think earlier in this debate the member for Prospect actually listed it at No. 16 in a discussion that she had. But in the discussion I had in Wollongong it came in on the list at No. 9. Above that were concerns about inter-
est rates, payroll tax and the general state of the economy.

Similarly is the ludicrous estimation of how many jobs will be created in the small business sector if unfair dismissal laws are amended as the government intends. The estimate for the last two years is 50,000. Another leap of twisted logic parallel to easing the burden on small business by imposing a huge GST is that, to create jobs for small business, one must make it much easier to dismiss workers. The former Minister for Employment, Workplace Relations and Small Business was a champion at making assertions as true fact. He went wild with condemnation when the parliament actually rejected this bill. In media release after media release and speech after speech he returned to this claim of 50,000 jobs being created if only this bill would be passed. The figure was simply plucked from the sky by the Council of Small Business Organisations. The former minister revealed the figure and where it came from in an answer to a question on notice on 10 February 1999. He said:

... Mr Rob Bastian, based his estimate that 50,000 jobs would be created if small businesses were exempt from federal unfair dismissal laws on the, in his view conservative, premise that 1 in 20 small businesses would hire at least one more employee if the exclusion was to come into force. Here we have a bill shredding workers’ rights based on the conservative views of the Council of Small Business Organisations. That is the very same group who convinced small business that the GST and their becoming tax office branches was worthy of its support.

Small business will not and does not make employment decisions on the basis of unfair dismissal laws. It makes such decisions on a variety of factors, as my discussions with a small business man in Wollongong illustrates. Other factors include whether the firm actually needs more employees, whether there is a suitable demand for product and the firm’s own ability to fund such employment. Such views are outlined in much further detail in the Senate report that inquired into this bill on 31 August 2000.

This bill breaches Australia’s international convention obligations. Australia ratified ILO Convention on the Termination of Employment 1982, Convention No. 158, on 26 February 1993. In ratifying the convention, Australia undertook to ensure domestic laws and practices conform with international convention. Australia is only one of a handful of countries that seeks to limit unfair dismissal law access to companies with few employees. Australia signed and ratified this convention. We should fulfil our obligation in spirit and letter. This bill does not.

The bill is unfair, it is unnecessary, it is a shallow election device, but it carries a serious message and confirms the perception in the electorate that, despite the government’s desire to look as if it were listening and consulting, it is not and is determined to whack workers by taking away fundamental rights. The bill is directed at seeking to make amends with small business for imposing the GST on it and burdening the sector with tax collection duty. Indeed, it is a mean-spirited bill. Workers have a right to apply under the law to have decisions dismissing them from employment by an employer assessed through a fair and an independent process. This bill’s provisions, unchanged as they are for the last two years, take that right away and fundamentally attack it. This bill is flawed and should be withdrawn. If not, every member of this parliament should, without hesitation, oppose its passage.

Ms JULIE BISHOP (Curtin) (1.54 p.m.)—Let us just suppose that to err once is human and that to err twice is somewhat worrying. But to err eight times is just plain astonishing. Yet in effectively rejecting the intentions of this legislation by disallowance and by opposition a total of eight times in just three years, non-government senators have truly distinguished themselves in the annals of error. Perhaps the key to understanding the failure of the opposition and the minor parties to pass the Workplace Relations Amendment (Unfair Dismissals) Bill 1998 [No. 2] is self-interest. When someone errs, they typically inflict pain or discomfort upon themselves. Put your head in the lion’s mouth or your finger in a light socket and
you soon learn to re-evaluate your actions. Pain is, after all, nature’s classroom. But who is hurt by the intransigent wrong-headedness of the opposition and the minor parties in this regard? Who is hurt? Not them, not their interests!

Mr Hollis interjecting—

Ms JULIE BISHOP—I ask the member for Throsby: who is hurt by his intransigence? I will tell you. The people hurt by the failure to pass this legislation are the thousands of small businesses labouring under the threat of unfair dismissal action and the 50,000 unemployed Australians who are being denied the opportunity for self-advancement through employment and the dignity of work. Evidently, the needs of Australian small business and the wishes of the unemployed are not the concern of the opposition and the others who oppose this bill. Evidently, sensible commonsense legislative solutions are not their concern.

This is not some radical attack on the rights of workers, regardless of the histrionics in this House and the other place. Rather, it is a reaction to the cold, hard fact that the cost of labour is an integral factor in the demand for labour, which is hardly, I would have thought, a disputable proposition. Things fall down, not up. The sun rises in the east and sets in the west, and price is a factor in determining demand. The price of labour is not merely the level of wages or other remuneration; the cost of labour to employers is the aggregation of all relevant costs—wages, remuneration, taxation, regulation and risk as well as the initial set-up costs associated with employment.

By inflating the cost of labour, unfair dismissal laws drive down demand for employment among small businesses. The obvious consequence is unemployment. And to whose benefit? Certainly not that of the employers! They are forced to shoulder the greater burden of work within their firm despite their willingness to alternatively take on employees. Clearly it is not to the benefit of those employees already working for Australian small businesses. They are no better off. Their job security is being eroded as their employer is squeezed by higher costs and as the class warfare rhetoric wielded by the proponents of unfair dismissal laws drives a wedge between those who share a mutual interest in their firm’s success.

Unquestionably, it is not to the benefit of those workers who are yet to be employed. They are shut out of work by the vanity of those same proponents, which reminds me of the member for Perth, yet the opposition appears willing to again obstruct reforms that would be to the benefit of employers, employees and the unemployed. It appears willing to deny the government the opportunity to implement a policy that was promised to the Australian electorate during the 1998 election. That policy, articulated in the bill before the House and similarly articulated in the bills and regulations previously introduced by the government, will provide that an employee, other than an apprentice or trainee, who is first engaged by a relevant employer after the commencement of the bill will not be able to make an unfair dismissal application under the Workplace Relations Act if either he or she has not completed six months continuous service with that employer or his or her employer employs no more than 15 employees.

This amendment of the Workplace Relations Act will not affect existing employees or apprentices and trainees, nor will this amendment adversely affect the rights of small business employees or employees with less than six months continuous service to take action against employers for the unlawful termination of employment. This last point is most important. Whether by design or whether by accident, the opposition and non-government senators have clouded this debate by confusing unfair dismissal with unlawful dismissal, the implication being that the reform of unfair dismissal laws for some small businesses would leave the employees of those businesses without recourse when unlawfully sacked. Nothing could be further from the truth. All employees are protected from unlawful dismissal. Clearly, unlawful dismissal is just that—unlawful.
Mr ACTING SPEAKER—Order! It being 2 p.m., the debate is interrupted. The member will have permission to continue her remarks when the debate is resumed.

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2.00 p.m.)—Mr Acting Speaker, as I informed the House yesterday, the Minister for Defence will be absent from question time today as he is meeting with the Chinese Minister for Defence in Beijing. The Minister for Veterans’ Affairs will take questions relating to the Defence portfolio and the Minister for Trade will take questions relating to the Industry, Science and Resources portfolio.

QUESTIONS WITHOUT NOTICE

Fuel Excise

Mr CREAN (2.01 p.m.)—My question is to the Prime Minister. I ask: do you recall saying less than five weeks ago:

Having decided to spend $1.6 billion on roads, to then go ahead and spend roughly the equivalent of that or perhaps a little bit more on waiving this excise increase, to do both would be financially irresponsible...

And:

It is impossible from an economic point of view to do both. That would not be responsible.

In light of today’s fuel tax rollover, how can anyone believe anything you say in the future?

Mr HOWARD—I remember saying something substantially to the effect of what the Deputy Leader of the Opposition has put to me but, as always, I will check the fine print. The decision announced today by me on behalf of the government will be warmly welcomed in the Australian community. This decision will not only reduce the price of petrol for Australian motorists but also impose a very important financial discipline on governments. I think the Australian public has long resented the indexation of taxes, first introduced by the Hawke Labor government in 1983. This is the first government that has been willing to abolish the automatic half-yearly indexation of excise. I think that will be very warmly welcomed.

As I said earlier today, this decision has both a discretionary component, which is the reduction of 1½c a litre, and a structural component, which is the abolition of six-monthly indexation of excise. I believe it is widely welcomed in the Australian community, and I think increasingly the Australian public will see us as having taken a decision which will not only provide a reduction in the price of fuel—

Mr ACTING SPEAKER—Prime Minister, excuse me. The level of conversation in the chamber is far too high. I ask members to exercise the same courtesy they would expect themselves.

Mr HOWARD—Not only will the discretionary reduction be welcomed but I think the Australian public will warmly applaud the government’s decision to remove the automatic indexation of petrol excise. I think that will be very warmly applauded. I look forward to receiving the support of the opposition in legislating to remove the Hawke government’s excise tax imposed in 1983.

Fuel Excise

Mrs GASH (2.04 p.m.)—My question is addressed to the Prime Minister. Has the Prime Minister’s attention been drawn to claims of a petrol tax windfall? Prime Minister, is there any truth in these assertions, and are you aware of any alternative policies—

Opposition members interjecting—

Mr ACTING SPEAKER—Order! The member for Gilmore will repeat her question from the start.

Mrs GASH—Has the Prime Minister’s attention been drawn to claims of a petrol tax windfall? Prime Minister, is there any truth in these assertions, and are you aware of any alternative policies in this area?

Mr HOWARD—The answer to the first part of the question is yes, I am aware of those claims, because I listened to the AM program yesterday and I heard the Deputy Leader of the Opposition talking. One minute we were not spending enough and the next minute we were spending too much. Like his leader, he tries to walk both sides of
the street. The claim that there is a huge windfall from the operation of the GST on higher petrol prices caused by higher world crude prices is wrong. What those people who assert that, like the Deputy Leader of the Opposition, completely ignore is the substitution effect.

Mr Crean—Oh, the substitution effect!

Mr Howard—Oh,' he says, ‘the substitution effect.' The Deputy Leader of the Opposition should understand that, if a family is spending $15 to $20 more a week on filling up their car with petrol, it stands to reason that they have $15 to $20 less a week to spend on something else, and if those items attract GST then there is in fact no increase in the GST collection. The advice that we currently have on the basis of the two quarters to date in relation to this year’s budget is to the effect that there has been no significant increase in the GST collections over what was predicted at the time of the budget. So the claim being made by the Deputy Leader of the Opposition, that in some way there is a huge revenue bonanza as a result of this, is completely wrong. Moreover, I would point out that in the midyear economic and fiscal outlook higher petrol prices have in fact resulted in a reduced demand for diesel and petrol and therefore lower, not higher, excise collections. In fact, excise collection on petroleum products and crude oils is expected to fall by around $75 million in 2000 and 2001. So this claim that the GST has resulted in an enormous windfall for the government is completely without foundation.

The member for Gilmore asked me whether there was an alternative policy. I searched around and found a quote from the Leader of the Opposition—this really is a beauty. On 15 February 2001, the Leader of the Opposition was interviewed by Leon Delaney, Radio 97, Tweed Heads, who said:

So in terms of the possibility of abolishing the indexation of excise?

To which the Leader of the Opposition replied:

We don’t oppose the indexation of excise per se, but we do think that governments have a right to consider these issues flexibly.

In other words, we are in favour of it but we are also against it. It is like the Deputy Leader of the Opposition: we are spending too much money giving excise relief, but on the other hand, we are not spending enough. In other words, if you belong to the Labor Party—the Australian lazy party—it is easier to walk both sides of the street instead of coming clean about what you are going to do.

Mr Acting Speaker—Before I call the next question, I would like to say that the chair is not prepared to tolerate the level of noise and interjection that has occurred in the House during the first two questions. People wanting an early mark will be accommodated.

Fuel Excise

Mr Crean (2.08 p.m.)—My question is to the Treasurer. Do you recall saying at a press conference on 22 November 2000:

Anybody who tells you that you can solve petrol prices by dealing with indexation is not giving you the facts.

Treasurer, in light of today’s rollover on fuel indexation, how can anyone believe any facts you give them in the future?

Mr Costello—As the Prime Minister has already said, the principal reason for high petrol prices is world oil prices. Notwithstanding what the government has done today, it will take a lowering of world oil prices to ensure that there are still significant reductions passed on at the petrol pump. Today, the government has made a contribution in relation to the plight of Australian motorists who have been suffering under high petrol prices. We are quite pleased to admit that it took the coalition to act in this area. You never got any action in this area from the Australian Labor Party. It was the Australian Labor Party which introduced indexation in 1983 and for 13 years never touched it. When the Labor Party came to office, the petrol excise was 6c; when it left office it was 34c. The increase in petrol excise under the Labor Party every year for 13 years was...
35 per cent per annum—every single year. This government has never increased petrol excise as a budgetary measure.

Mr Cox interjecting—

Mr Acting Speaker—I warn the member for Kingston.

Mr Costello—The government continued the indexation, which it has now announced will be abolished. After taking into account the reduction which has been announced today, over the course of five years under this government the increase has been 2.3 per cent per annum; under Labor, for 13 years, it was 35 per cent per annum.

Mr Albanese interjecting—

Mr Acting Speaker—I understand that people are seeking enjoyment but, again, please have some regard for the dignity of the House and where you are.

Fuel Excise

Mr Lloyd (2.12 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the steps the government will take to ensure that Australian motorists receive the full benefit of tomorrow’s reduction in fuel excise?

Mr Costello—The government has announced a 1.5c per litre cut in petrol excise which will take effect from midnight tonight. This tax cut is being introduced to assist Australian motorists who have suffered from high petrol prices in recent months principally as a result of high world oil prices. The government’s fuel tax reduction will help to ease the financial burden on motorists while maintaining the government’s responsible budget position. I want to make this clear. The cut in excise is for the benefit of motorists and not for the benefit of oil companies. The government expects the benefit of this reduction to flow through to motorists and not to be captured by the oil companies or indeed by retailers. To ensure that that is the case, the government will be prescribing this excise reduction under the price exploitation provisions of the Trade Practices Act.

The price exploitation provisions of the Trade Practices Act give the Australian Competition and Consumer Commission power to monitor prices, to demand information from businesses in relation to price setting and to name businesses that have engaged in price exploitation. The provisions, contained in part 5B of the Trade Practices Act, provide for fines of up to $10 million for companies which breach those provisions and up to $500,000 for individuals who breach those provisions.

Let me make it clear: there is a moral and legal requirement for oil companies to pass on the full reduction in excise. The government has instructed the Australian Competition and Consumer Commission to step up its price monitoring operations to ensure that it can monitor the effects of these changes. The government also says to consumers that, in addition, they should conduct their own surveillance in relation to these matters. The government will not be tolerating any attempt by an oil company to take back that reduction in petrol excise by way of profit. This is a reduction for the benefit of the motorist, not for the oil companies.

Fuel Excise

Mr Crean (2.15 p.m.)—My question is to the Prime Minister. I ask: when you announced the defence white paper response, you announced spending of $23 billion over 10 years; when you announced the innovation statement, you announced spending of $2.9 billion over five years; when you announced the Roads to Recovery program, you announced spending of $1.6 billion over four years, so what therefore is the total cost of today’s petrol tax rollover in each of the budget out years?
Mr HOWARD—The amount in relation to next year is $555 million. I will be happy before the end of—

Mr Crean—Indexation amounts.

Mr ACTING SPEAKER—Order! You have asked your question.

Mr Crean—He is not answering it.

Mr ACTING SPEAKER—Do you want to stay or do you want to go? I can accommodate you.

Mr Crean interjecting—
Mr ACTING SPEAKER—You will be quiet when the Prime Minister has the call. Keep it up and you will go.

Government members interjecting—
Mr ACTING SPEAKER—Order! Members on my right.

Mr HOWARD—The figure for next year which I mentioned this morning when I made the announcement of $555 million is, I am advised, the amount covering both the 1½ per cent reduction and the cost of the abolition of indexation next year, so if you had waited instead of interrupting I would have told you that. Secondly, in relation to the out years, I will be very happy to get those details and supply them before the end of question time. I do not have them in my folder but I will be very happy to get them.

Fuel Excise

Mr NEVILLE (2.17 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Would the Deputy Prime Minister advise the House of the benefits for people living in rural, regional and remote Australia of today’s announcement on fuel excise?

Mr ANDERSON—I thank the honourable member for Hinkler for his question. Of course, the benefits in rural, regional and remote areas of the country of today’s announcement are significant because of the necessity of fuel for so many people, not just for the pursuit of their businesses but also in their personal lives. For very many people in rural, regional and remote areas there is no such thing as the option of a taxi, a bus or a suburban train. If you want to access education or health services or simply have a social life you are dependent upon your motor vehicle. Of course, in that regard the cost of fuel is a very sensitive issue. Country people in our export industries are very well aware of the realities of world markets. They do recognise, I find as I move around, the realities of global markets in relation to oil and the impact that high crude prices have had on the cost of their fuel. But at the same time the reality is that—

Mr Edwards interjecting—
Mr ACTING SPEAKER—The member for Cowan is warned!

Mr ANDERSON—they welcome action taken by the government to share that heavy burden. I welcome the responsible way in which the government has gone about this. We will make certain that we will maintain strong economic management and a strong budget position, and that will help preserve the very foundations I talked about yesterday as leading to the improvement in terms of trade that we have looked for for so long for Australia’s export industries. I think that people in country areas will certainly be looking very closely to see that moderation in fuel prices from the reduction in excise, and they will be seeking to ensure that it indeed flows.

The abandonment of the automatic indexation of fuel excise, which was introduced 18 years ago by the Hawke Labor government, will place an additional discipline on government in regard to fuel excise in the future. It will deliver a small benefit as well, that might not have been picked up on, to users of off-road diesel. New businesses of course can claim back all of the excise on their fuel. At the moment, because the rebate rate is set on a six-month rolling average of the declared fuel excise rate, the rebate rate has traditionally lagged just a little behind the declared rate because of six-monthly CPI adjustments. The removal of the CPI adjustment will mean that this lag will be washed out of the system and, over the next six months, the rebate rate will come to be exactly the same as the declared excise rate.
So this is a good decision, a responsible decision, that will continue the government’s record of reducing fuel taxes and transport costs in regional Australia. Again I emphasise that this is in addition to the complete abolition of all fuel excise on rail. That is worth around $1 a tonne to wheat exporters in the north-west of New South Wales. It is well worth having. The very significant reduction in fuel taxes on the trucking industry is incredibly important to, say, cattle producers in western Queensland where transport can constitute about one-third of their operating costs. Then of course there is the $860 million package to relieve the differential between country and city prices that will be carefully monitored by the ACCC.

This is a record that stands in stark contrast to that of the ALP. Those who have sought to make cheap and opportunistic points out of all of this ought to be reminded that the only thing you can do when it comes to understanding the ALP is to look not at what they say but at what they do. When they were in government they presided over a 500 per cent increase in excise. Not only were they the indexation kings, but also they regularly introduced one-off discretionary increases in fuel excise. Of course, they never sought to compensate rural and regional people for the impact on their lives. In fact, they made the burden on the battlers worse because they penalised those who were running older cars on leaded fuel. The reality is that their plainly born-again conversion to concern over the cost of fuel is a joke and an obvious pretence.

Budget: Surplus

Mr CREAN (2.22 p.m.)—My question is to the Prime Minister. In light of your comments today listing the erosion of the surplus, do your budget figures—

Fran Bailey interjecting—

Mr Costello interjecting—

Mr ACTING SPEAKER—The member for McEwen! The Treasurer!

Mr Tanner—You should worry about yours, it is about to disappear, Pete.

Mr CREAN—He has got his smirk back!

Mr ACTING SPEAKER—If you do not want to ask your question, you can sit down.

Mr CREAN—I do want to ask the question.

Mr ACTING SPEAKER—Do you want to ask it or not?

Opposition members interjecting—

Mr ACTING SPEAKER—You have the call—use it!

Mr CREAN—I start again. Prime Minister, in light of your comments today listing the erosion of the surplus, do your budget figures still include the $2.6 billion proceeds from the sale of spectrum and proceeds from the sale of the rest of Telstra?

Mr HOWARD—The Deputy Leader of the Opposition said that I had admitted that the surplus had been eroded. Can I say that I do not think it is an ‘erosion’ of the surplus. I think that is the wrong expression to use in relation to additional defence spending and providing additional road funding. The Labor Party cannot have it both ways. They cannot demand, whenever the government has an expenditure program, that it should have been more. When I announced the innovation program, what did the Leader of the Opposition say? He said it should have been more; he did not say it should have been less. You are the last people in Australia who have any credibility to talk about getting rid of budget surpluses, because you are the people who ran up massive increases in government debt and left us with a government debt of between $80 billion and $90 billion.

Mr Bevis interjecting—

Mr HOWARD—There has been no alteration in relation to the figures that were produced at the time of the Midyear Economic and Financial Review that would in any way put the budget surplus at risk. As to questions relating to individual items such as spectrum, they are matters which are in a process of auction at the present time and I do not intend to make any comment. As far as Telstra is concerned, there has been no change to the position concerning Telstra,
and that is that our first objective is to make sure that services in the bush are adequate, and only when proper arrangements have been made for the adequacy of those services will attention be turned to other matters concerning Telstra.

Mr Bevis interjecting—

Mr ACTING SPEAKER—The member for Brisbane is warned!

Mr HOWARD—I was asked for the figures for the out years. The impact of the announcement this morning on this year’s budget is $140 million. As I indicated this morning, on next year’s budget, it is $555 million; on the year 2002-03, $815 million; and on the year 2003-04, $1,160 million. I would point out for the information of honourable members that the projected cash surplus at the time of the midyear review in 2002-03 is $7.6 billion and in 2003-04 it is $12.9 billion. In other words, the decision that I announced this morning represents a very significant ongoing saving to the Australian taxpayer, because it has lifted off the shoulders of the Australian taxpayer the Hawke-Keating government’s petrol indexing tax introduced in 1983.

Economy: Balance of Trade

Mrs HULL (2.27 p.m.)—My question is addressed to the Treasurer. Would the Treasurer inform the House of the outcome of the balance of trade in goods and services in January 2000, released today by the Australian Bureau of Statistics?

Mr COSTELLO—I thank the honourable member for Riverina for her question. I can inform the House that the Australian Bureau of Statistics today released the figures for the international trade in goods and services for January. In seasonally adjusted terms, the balance on goods and services trade for January was a deficit of just $37 million. In trend terms, the deficit again decreased in January to be $100 million. This is the smallest trade deficit, in trend terms, since May 1997.

There was a slight dip in exports in today’s figures, particularly in the rural sector, where wheat crops in particular had been affected because of exceptionally dry conditions in Western Australia and floods which had affected northern New South Wales and parts of Queensland. But exports are up 20.6 per cent over the year to January 2000.

The Deputy Prime Minister yesterday referred to ABARE’s forecast that farm commodity exports would increase 13.8 per cent this year and 7.6 per cent again next year. Net exports are now expected to make a contribution to growth—the first positive contribution to growth since the Asian economic crisis—of about one per cent. The very strong turnaround in our export position will contribute to a significant decline in the current account deficit in 2000-01.

What we are seeing in the Australian economy is the development of a very competitive exports sector, not only helped along by the developments in relation to the exchange rate but also helped along by changes to taxation which have taken taxes off exports for the first time in Australian history. If it had not been for taking taxes off exports—which would not have occurred if it had not been for tax reform, opposed every step of the way by the ‘Australian Lazy Party’—rural Australia would never have been given the go that it has been given as a result of this to get its product out on the world markets on fair terms. We make no excuses for having helped rural Australia in the world export market by getting those taxes off their exports and by cutting the freight rates in relation to heavy transport. If it had not been for tax reform—

Opposition members interjecting—

Mr ACTING SPEAKER—The Treasurer will resume his seat. I suppose it would be unwise to praise the members on my left for their courage, but you are on a tightrope and those who persist in foolhardy bravery will reap the reward. I now issue a general warning to all members on my left.

Mr COSTELLO—In relation to transport, it was this government’s reform of the taxation system which meant that we could cut the diesel tax on heavy transport by 24c a litre. If Labor had had its way, today you would be paying an additional tax of 24c a
litre on diesel for everything going into or coming out of rural Australia. That is one of the definite benefits to rural and regional Australia. It has helped our exporters, and our exports are up, and these are benefits of taxation reform.

Telstra: Privatisation

Mr BEAZLEY (2.31 p.m.)—My question is to the Deputy Prime Minister and the Minister for Transport and Regional Services. Deputy Prime Minister, now that the government has rolled over on the business activity statement and rolled over on petrol, why won’t you roll over again and rule out once and for all the full privatisation of Telstra?

Mr Ross Cameron—Mr Acting Speaker, I rise on a point of order. This constant imputation of bad faith is intolerable, and I ask you to rule it out of order.

Mr ACTING SPEAKER—I thank the honourable member for Parramatta. There is no point of order.

Mr ANDERSON—I thank the honourable Leader of the Opposition for his question. The short answer to your question is that we in the National Party are interested in quality telecommunications services to rural and regional Australia, in stark contrast to the ALP. Even at the most basic level of tightening the universal service obligation, we far outstrip your performance. In relation to the customer service guarantee, you did not even have one. We have put in place a whole series of requirements in terms of the timeliness of new connections, repairs and what have you, and very stiff fines when they are not met, which is helping to deliver the basic quality of services that people in rural and regional areas need with their telecommunications.

Let me repeat that point: the ALP did not have a CSG—there were no obligations. No obligations were placed on Telstra or on any other telco to deliver decent service outcomes in rural and regional Australia. But there are today. When it came to assessing what the future needs might be, what did they do when we said that we would have an inquiry into establishing rural and regional service standards? They did what they so often do: they opposed us every inch of the way. And, when we announced who would head that inquiry, what did they do? In true ALP style, they tried to blacken the names of the people that we asked to head the inquiry. There is no genuine interest in this at all from the ALP.

When the Besley inquiry handed down its findings, it clearly indicated that there were some matters that had to be addressed by the government, and we have given a commitment that we will address them. The ALP would not have given that commitment because they would not have had the inquiry in the first place. They are not interested. I do not believe that anyone listening to this on broadcast—

Mr Beazley—Mr Acting Speaker, I rise on a point of order, which goes to relevance. The question was simply: is he going to roll over now on the question of the privatisation of Telstra?

Mr ACTING SPEAKER—Resume your seat. Have you concluded your answer, Deputy Prime Minister?

Mr ANDERSON—No, there are a couple of other things that I want to point to as examples of their lack of commitment and of our commitment in contrast. Who was it that shut down the analog network? They shut it down. And who was it who helped find a replacement with Telstra? It was not the ALP.

The other point I want to make is that we have now allocated about a billion dollars to upgrading and helping with rural telecommunications services—something the ALP would never have thought of doing. A $150 million tender to deliver untimed local calls was put out into the marketplace—a bit of competition—and what happened? We got an unbelievable result for the 40,000 people who live in 80 per cent of the land mass of this country, in remote areas. It was an unbelievable result. They have almost leapfrogged the pack to get right to the forefront of technology to deliver the full benefits of reduced costs and better standards of telecommunications. You name it—I reckon our
record stands in stark contrast to yours. So
the answer to your question in very simple
terms is that we have delivered; you have
not.

**Building and Mining Industries:**

**Industrial Dispute**

Mr BARRESI (2.35 p.m.)—My question
is addressed to the Minister for Employment,
Workplace Relations and Small Business. Is
the minister aware of current disputes in the
building and mining industries? What impact
are those disputes likely to have on the local
and national economies?

Dr Martin interjecting—

Mr ACTING SPEAKER—Member for
Cunningham, your credit has expired.

Mr ABBOTT—I thank the member for
Deakin for his question, and I regret to in-
form the House that Australia is witnessing a
sudden eruption of industrial disputation in
three states. In Perth, the CFMEU is now
threatening life bans on workers who refuse
to join wild-cat industrial action. That is not
my claim; that is the claim of the local AWU
organisers. In Queensland, the CFMEU has
just begun a seven-day strike at BHP col-
leries after rejecting a 19 per cent wage offer
for workers who were already earning more
than $80,000 a year. This is plainly a pay-
back against BHP for trying to introduce
workplace agreements in the west. It is one
thing to be against BHP; it is another thing to
damage Australia’s international reputation
and to jeopardise Australia’s international
trade.

In Victoria the CFMEU seems to have
more power than the state Labor govern-
ment. It has just called a 24-hour strike
against the Victorian government-sponsored
long service leave scheme, breaking an ear-
lier agreement with the Victorian govern-
ment and others for no new claims until
2005. There is a clear message in this: the
ALP wins elections on day one and on day
two the strikes start. And that is bad news for
Australian workers, because strikes cost jobs.

Mr Bevis—It’s your law, you dill!

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

The member for Brisbane then left the
chamber.

Mr ABBOTT—Labor governments can-
not control union militancy because the un-
ions control the Labor Party. Senators Lundy
and Murphy were sent to this parliament as
representatives of the CFMEU. They are the
CFMEU’s directors on the board of Labor
Inc. In 1999 the CFMEU gave $628,000 to
the Labor Party—that is the CFMEU’s
shareholding in Labor Inc.

The Victorian strike is costing $17 million
in lost production. The Queensland strike is
costing $30 million in lost production. That
$30 million loss will reverberate right around
rural and regional Queensland, and the only
people who do not seem at all concerned
about this are the members opposite. You
cannot shut them up on petrol, but when it
comes to this action, which is threatening the
jobs of ordinary workers, the Prince of Prolix
is suddenly struck dumb. If the Leader of the
Opposition is to be known as anything other
than a ventriloquist’s dummy for the ACTU,
he will denounce these strikes.

**Telstra: Privatisation**

Mr STEPHEN SMITH (2.39 p.m.)—My
question is to the Deputy Prime Minister,
Leader of the National Party and Minister for
Transport and Regional Services. Does the
Deputy Prime Minister recall saying on ABC
radio’s *The World Today* on 14 February:

There will be no privatisation of Telstra until
we have fixed services for rural and regional cus-
tomers. That issue simply does not arise unless
and until country services are brought up to standard,
and that is the agreed policy of the National Party.

If you ask me in a practical sense I do not believe
we will have them addressed before the election,
no I don’t.

Deputy Prime Minister, if what you are now
saying is that you will not fully privatise Tel-
stra before the next election, will you now
guarantee not to fully privatise Telstra after
the next election?

Honourable members interjecting—
Mr ACTING SPEAKER—Order! The question could be interpreted as seeking an announcement of policy, but I will allow it.

Mr ANDERSON—What is on the government’s agenda in relation to rural, regional and remote communications is getting the services right. I have nothing to add to the government’s policy position beyond that, except to reiterate that this performance by you really does nothing other than remind us of the absolute lack of commitment to services and telecommunications for country people when you were in government.

Employment: Policy

Dr SOUTHCOTT (2.41 p.m.)—My question is addressed to the Minister for Employment Services. Would the minister advise the House about the government’s ongoing performance in the creation of employment opportunities? Is the minister aware of most recent announcements about alternative employment policy, and would the minister advise the House of the significance to job seekers of this alternative policy?

Mr BROUGH—The proud record of the Howard government is one that has created nearly 800,000 jobs in the last five years. Of those, 371,000 are full-time positions. This is in stark contrast to what the last five years of the Labor government achieved, which was a paltry 27,000 jobs compared to 371,000 full-time positions under this government. In recent days we have seen some announcements from the opposition on policy—a policy-lazy government that has actually produced something.

Mr O’Connor—we’re the government now! We soon will be.

Mr BROUGH—What is it that the shadow minister has produced? In a comment to the Press Club on 27 February she outlined a new employment policy for the Labor Party. What is this new policy? Their entire policy direction is to add one new question—

Ms Kernot—it is not an entire policy, and you know it.
The member for Dickson is therefore suspended from the service of the House under standing order 303 for 24 hours. The member for Dickson then left the chamber.

Mr BROUGH—The information that the shadow minister was reluctant to have me speak about was that at the National Press Club earlier in the week she asked: what if those people under part-time employment wanted more work? The fact is that that information has been collected for 22 years. I am going to table it for her benefit. Here we have, from November 2000, the total number of persons who were employed for one to five hours. About 31 per cent of them said they wanted more work. Nearly 70 per cent said, ‘We are actually happy with one to five hours of work.’ The information has been collected for the last 22 years, and I table that for her information. During her speech, the shadow minister also made a couple of very interesting comments which I think are worth informing the House of. She said: When unemployment is seen to be falling, we—and I take that to be the royal ‘we’—turn away a little complacently thinking, ‘Well, you know, that is taken care of. It doesn’t involve us.’

It quite obviously does not involve the shadow minister or those opposite, because this is a government that cares about unemployment and that has done something about the unemployed in this country. I invite the shadow minister, when she makes one of those fleeting returns to the electorate she represents, to go into the building that she is part of, to visit the Job Network provider that is there and find out what Job Start training,
Job Network training and intensive assistance are actually delivering for the unemployed of this country.

**Telstra: Privatisation**

Mr BEAZLEY (2.53 p.m.)—My question is to the Prime Minister. Prime Minister, today is it not a fact that you and your deputy have left open the question of whether or not you will roll over on the question of the full privatisation of Telstra? Do you recollect last year saying to the Liberal Party conference in Adelaide, ‘We remain strongly committed to the full privatisation of Telstra,’ and do you recollect saying earlier than that last year, ‘We intend to pursue our policy of selling the remaining 50.1 per cent in that telecommunications carrier’? Prime Minister, what is your policy?

Mr HOWARD—The answer to the first part of the question is no, it has not been left open. The position remains—and it was laid down some time ago—that the ultimate full sale of Telstra is conditional upon us first being satisfied that satisfactory arrangements have been made in the bush for the delivery of services. That has been our policy for two years and it remains our policy.

**Education: Funding for Government Schools**

Mr PROSSER (2.54 p.m.)—My question is to the Minister for Education, Training and Youth Affairs. Would the minister inform the House about the government’s recent initiatives for government schools? Is the minister aware of any alternative policies and what is his response?

Dr KEMP—I thank the honourable member for Forrest for his question. No federal government has ever made a larger investment in public schooling in Australia than the Howard government. Some $9 billion will be invested in government schools by this government over the next four years. This year we are putting some $562 million more into government schools than the Labor Party did when it was in office. That is a 36 per cent increase over the life of this government. Let us make it very clear: we are not just spending tens of millions of dollars or hundreds of millions of dollars more on public education than Labor ever did, but billions of dollars more. We are spending billions of dollars more on public education than Labor ever did through legislated appropriations for the school sector.

This commitment was further underlined by our decision to reinvest the Commonwealth share of the savings through the enrolment benchmark adjustment—the EBA—back into government schools. This will mean an additional $130 million for government schools in the next four years. A key feature of this decision will be that we will require the states to produce a plan showing how this money will be spent to develop opportunities for students to study in vital areas such as science, mathematics, technology and innovation. Furthermore, we will be requiring that these new programs and approaches be additional to those which are already funded. This has been essential from our point of view because some states were withdrawing money from government schools as the Commonwealth was putting more money in. No government was a worse offender in this regard than the Carr government in New South Wales. Its treasury has simply been taking money out as the Commonwealth puts money in. It has been relying excessively heavily on Commonwealth funding for the development of buildings and facilities in New South Wales, at great cost to the conditions under which pupils are studying.

I was asked in the question whether I am aware of alternatives. I am aware of an alternative because the Leader of the Opposition has stated a policy of completely abolishing the EBA—not putting the savings back into government schools. He is simply going to abolish the EBA and thus open the door, once again, for the New South Wales Treasury to withdraw this money completely from the education system. Whereas our policy guarantees additional funding for students in government schools in New South Wales, there is no such guarantee attached to the policy of the Australian lazy party and the Leader of the Opposition. The beneficiaries of the Beazley policy will be the state treasuries and particularly the state treasury of the
Carr government. The Beazley policy is not a policy for school students. It is a policy for his mates in the Labor Party in New South Wales. It is a windfall gain to them of $115 million over the next four years and, incidentally, it doubles the incentive for state treasuries to wink at this continuing exodus from public schools. All we can say is that this is a foolish policy, it is an unwise policy, it is an unthought-out policy, and we have to conclude that the serial non-performer on the other side of the table has struck again.

Telstra: Privatisation

Mr BEAZLEY (2.59 p.m.)—My question is to the Prime Minister and it follows the answer to the previous question that he gave me, and that was that in his view now the full sale of Telstra is conditional. Prime Minister, if the full sale of Telstra is conditional, why is it recorded in the forward estimates as a certainty?

Mr HOWARD—The forward estimates are prepared on the basis of government policy.

Fiji: Court of Appeal

Mr NUGENT (3.00 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the outcome of the Fiji Court of Appeal findings on the Gates judgment? What is the government’s response to this ruling?

Mr DOWNER—I thank the member for Aston for his question and recognise the keen interest he shows in South Pacific affairs. The Australian government welcomes the decision today of the Fiji Court of Appeal upholding what is known as the ‘Gates judgment’ of 15 November and confirming that the 1997 constitution of Fiji remains the supreme law of Fiji. The House may be interested to know that the court also noted that parliament was prorogued on 27 May 2000 for six months—that it was not dissolved—and that, under the 1997 constitution, the office of the president became vacant with the resignation of Ratu Sir Kamisese Mara and that it took effect on 15 December. Under the constitution, the vice-president may perform the functions of the president for three months, that is, until 15 March this year—in two weeks time—unless a president is appointed sooner. The court also noted that the interim government failed to establish that it is the legal government of Fiji. This ruling of the Court of Appeal offers Fiji a very real chance to get out of the political crisis that has shrouded that country since 19 May last year. We very much hope that Fijians will use this opportunity to act decisively to uphold the rule of law. The people of Fiji now need to work together peacefully and with a strong will to restore the democratic and constitutional rule which has been denied to Fijian citizens for the last 10 months.

The Australian government was encouraged by the Fiji interim government’s statement to the Court of Appeal last week that it would accept the decision of the court and use its best endeavours to promote a return to constitutional legality. We now look forward to a positive response from the interim government to the ruling of the court. If that response is as we hope, the Australian government is willing to review the measures it has taken against Fiji and to provide all the assistance Australia can reasonably offer to help Fiji quickly back on the path to democracy. I know I speak for all members of the House—and perhaps it is noteworthy for the Fijians that all members of the Australian House of Representatives would agree with this view—that we would be the first to welcome Fiji when it once again takes its place as an honoured and respected member of the international community.

Telstra: Sale

Mr BEAZLEY (3.03 p.m.)—My question is to the Deputy Prime Minister, and it follows the question I asked the Prime Minister previously. Deputy Prime Minister, do you agree with the confirmation by the Prime Minister that if the government is re-elected then, in accordance with the forward estimates, the sale of Telstra is a certainty?

Mr ANDERSON—What a transparent little set-up this is. The Prime Minister has plainly outlined the government’s position, but he has also acknowledged the conditionality. There is no conflict at all between those
two positions. We have done the right thing—something you would never have done. We went out there and deliberately set out to establish whether or not service provision levels were appropriate in rural and regional and particularly remote Australia. We established, care of the independent report—and you in your usual way sought to denigrate the characters of some, I have to say, very fine Australians who showed you up with the integrity of their report—that it was the best way to do it of the lot. You said that they were no good, that they were compromised, that they were this, that and the other—

Mr ACTING SPEAKER—The Deputy Prime Minister should address his remarks through the chair.

Mr ANDERSON—Mr Acting Speaker, I apologise. Of course, the quality and the integrity of the report gave the lie to the Leader of the Opposition’s character assassination. We have entirely appropriately chosen to impose some conditionality upon our position. I think that is entirely appropriate. I see no problem with it.

Goods and Services Tax: Business Activity Statement

Mr BILLSON (3.05 p.m.)—My question is addressed to the Minister for Small Business. Would the minister inform the House of how the government’s simplification of the business activity statement has been received by the small business community? Are you aware of any alternative views on BAS simplification?

Mr IAN MACFARLANE—I thank the member for Dunkley for the question. The government’s changes to the BAS reporting statement, announced last week, have been exceptionally well received by the business community. I will just take the opportunity to read a few quotes. The National Farmers Federation said:

Rural Australia has been given a huge boost.

The certified practising accountants said:

A significant reduction in the compliance costs for small business.

The Australian Chamber of Commerce and Industry said:

The compliance burden of moving to the new tax system will be dramatically reduced.

The accounting firm Hayes Knights said:

Without question, the simplified BAS is definitely good news for small business.

What is the Labor Party policy on this? There seems to be a bit of doubt about the Labor Party policy. On 6 February 2001, the Leader of the Opposition issued a media release stating:

A Beazley Labor government will roll back the BAS red tape nightmare by only requiring small business to fully calculate the GST liability once a year.

Again on 11 February, on the Business Sunday program, the Leader of the Opposition said:

The first phase of our roll-back will mean that people will only do the BAS once a year.

Three days ago—26 February—on the local radio station 2NM, the shadow minister for small business described annual reporting as ‘the nightmare at the end of the year’. On the basis of the shadow minister’s comments, can we now assume that annual reporting has been deleted from the Labor Party policy? If it has, could someone tell the Leader of the Opposition? In the meantime, what we have is confusion—the same confusion, heartbreak and distress that roll-back will cause small business.

Bradmill Undare Group

Ms ROXON (3.07 p.m.)—My question is addressed to the Prime Minister. It regards the appointment of administrators to the Bradmill Undare Group, the denim plant in my electorate that employs 800 people. Prime Minister, can you confirm that the TCFUA contacted your office yesterday morning about this matter, but has not received any return call? Can you confirm that Bradmill sought specific assistance from the federal government to prevent this outcome, but this was refused? Prime Minister, given that your office and a horde of bureaucrats worked urgently all weekend to assist your brother’s insolvent textile company—
Mr ACTING SPEAKER—You should get to the question, Member for Gellibrand.

Ms ROXON—why won’t you show the same interest in Bradmill and its employees?

Mr Ross Cameron—Mr Acting Speaker, I take a point of order. That is a serious imputation. In a matter in which every member of this House does not question the honour of the minister, I ask that it be ruled out of order.

Mr Leo McLeay—That is an oxymoron.

Mr ACTING SPEAKER—Well, the Chief Opposition Whip should know. I must say to the member for Parramatta that because of the noise I did not hear all of the question, but what I did hear was in order. The Prime Minister has the call.

Mr HOWARD—I thank the honourable member for her question. I understand that it was announced yesterday that Arthur Andersen has been appointed as the receiver and manager of the Bradmill Undare Group, with the intention of selling the group’s businesses either as a whole or separately.

I am not aware of whether or not people contacted my office yesterday. As you can imagine, we get hundreds of calls a day and I am not given a note of each and every call that comes in immediately it arrives. But I will make some inquiries about that and find out if there has been any inappropriate delay in returning the call. We have no desire to be in any way discourteous to a union representative which is concerned about the welfare of its members.

The textiles, clothing and footwear industry has been under a lot of pressure in this country for many years. I do not imagine that the honourable member is suggesting that we have only had difficulties in that sector since this government came to office because, if that were the implication, then she is displaying a considerable ignorance of the background of the industry. We have made a significant contribution towards assisting firms in this sector to meet the challenge of increased global competition through the $750 million TCF Post-2000 Assistance Package and the decision to pause tariff reductions at year 2000 levels and hold them at that level until 2005.

Bradmill, like other TCF businesses, would have benefited from the range of assistance measures that successive governments, including my own, have put in place. I will investigate the matter raised in relation to contact with my office and I will also find out what has occurred in relation to assistance. If there is anything that the government can do to help the situation, we will. You mentioned another firm. I remind you that the assistance there helped the workers. It did not help the company; it helped the workers. I remain surprised that the Australian Labor Party, through its most senior figure in this country, namely, the Premier of New South Wales, still refuses to match the employee entitlement contributions of this government.

Immigration: Policy

Dr WASHER (3.14 p.m.)—My question is addressed to the Minister for Immigration and Multicultural Affairs. Is the minister aware of any new research relating to the economic benefits of the government’s immigration policy? Can the minister inform the House whether the current structure of the immigration program will have a positive impact upon the Commonwealth budget?

Mr RUDDOCK—I thank the honourable member for Moore for the question. Before answering it, I inform the House that February was the first month in 28 months to be free of any unauthorised boat arrivals. In relation to the question asked by the honourable member, members may be aware that today my department is hosting a seminar where a number of new research papers are being presented. I am pleased that a number of members have made time to participate and to hear some of the presentations that are being made. I welcome also the participation of a member of the opposition frontbench in the discussions taking place there.

The research is particularly interesting because it has found that a properly structured immigration program can produce very significant and beneficial outcomes for the Australian community as a whole. I am sure
honourable members will remember that, in the early 1990s, findings from research into the economics of migration were that immigration was largely neutral in its impact. One of the reasons is that the migration program, particularly in the last year of the former government, was heavily biased in favour of family reunion where skills are not always relevant factors for determining entry. However, today, under the policies that are maintained by this government and which have restored integrity to the migration program, we can show that immigration now has an unequivocally positive impact, and that is as a result of the changes in its composition. Those changes in composition have, I think, been crucial in maintaining public confidence in the immigration program. A report by Econtech, for example, shows that, due to changes in the migration program between 1995-96 and 2000-01, living standards have been progressively raised. For example, it shows that annual consumption per head, it is conservatively estimated, will be boosted by $257 per capita by the year 2007-08. Work force productivity will be about 0.08 per cent higher by that same year in comparison with what it would have been under the former policies. This gain is due to the shift in the age structure of arrivals towards the prime working age group.

The research also shows that there has been little impact in terms of employment. In fact, it shows that the program has been beneficial. It is important to understand the reason for that. It is because of the switch to the skilled stream and the increased overall skill level of those who come within that stream. The labour force participation rate will also be about 0.62 per cent higher than it was under former policies. This gain is due to the shift in the age structure of arrivals towards the prime working age group.

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

Mr Horne—Mr Acting Speaker, I raise a point of order. I was on my feet before the Prime Minister rose. I have a question that I wish to ask.

Mr ACTING SPEAKER—There are two factors affecting that: (1) I did not see you, and (2) the Prime Minister can interrupt to end question time.

ANSWERS TO QUESTIONS WITHOUT NOTICE

Aviation: Fuel Levy

Mr ANDERSON (Gwydir—Deputy Prime Minister) (3.19 p.m.)—I seek the indulgence of the chair to add to an answer I gave yesterday to a question from the member for Batman, as I undertook to do.
Mr ANDERSON—Yesterday the member for Batman asked me a question about the duty on aviation fuel that is used to fund regional and general aviation control towers. In the 1999-2000 budget the government allocated an $18 million subsidy to Airservices Australia over two years. That subsidy enables Airservices Australia to provide reasonably priced tower services at regional and general aviation airports, to be capped at affordable levels. To fund the subsidy the government increased the duty on aviation fuel by 0.51c per litre. That rate was based on the aviation activity forecast at the time. Since we set the rate there has been a very large— and at that time unforeseen— increase in the level of activity in the aviation industry. Passenger movements on the major east coast routes have increased by over 30 per cent due to the government’s aviation liberalisation policies. The government will be considering the fuel duty rate and the control tower subsidy as part of the budget process in the normal way this year.

QUESTIONS TO MR SPEAKER
Pharmaceutical Benefits: Exelon and Aricept

Mr MURPHY (3.21 p.m.)—Mr Acting Speaker, I wonder if you could help me.

Mr ACTING SPEAKER—I will certainly try to give the member for Lowe every assistance.

Mr MURPHY—I know you will. On 21 December last year Lewis Kaplan, the Chief Executive of the Alzheimer’s Association of New South Wales, wrote me a letter saying that he was writing to me just minutes after the announcement had been made by the Minister for Health and Aged Care—

Mr ACTING SPEAKER—I am sorry. What are you doing? Are you raising a point of order, asking me a question or making a personal explanation?

Mr MURPHY—I am asking you a question.

Mr ACTING SPEAKER—Please proceed.

Mr MURPHY—But I am explaining that this letter said that both Aricept and Exelon are to be listed on the Pharmaceutical Benefits Scheme. This letter is dated 21 December. On 1 November, in question on notice No. 2110, I asked the minister for health whether the drugs Aricept and Exelon, used to treat Alzheimer’s disease, could be listed on the Pharmaceutical Benefits Scheme.

Mr ACTING SPEAKER—Order! Are you seeking action under standing order 150?

Mr MURPHY—Yes. But what I want to say—

Mr ACTING SPEAKER—Thank you very much. Action will be taken.

Mr Beazley—I raise a point of order on that. What the honourable gentleman is doing, quite clearly, is pointing out that a question to which he has not got an answer has been answered elsewhere. That ought to be a matter of concern for any member of parliament. We are all entitled to a timely response. He is obviously asking you to inquire into why an answer is generally available but has not been given to him. It is a perfectly appropriate approach.

Mr ACTING SPEAKER—that is outside the powers of the Speaker. The standing orders provide that, if a question on notice has not been answered, the Speaker can take action to seek that on behalf of any member. As far as I am concerned, the member for Lowe has asked his question. He was doing it in a very longwinded way and I encouraged him to get to the nub of it. He eventually agreed that he wanted to draw my attention to that particular question under standing order 150. That action will be taken.

Questions on Notice

Mr McMULLAN (3.23 p.m.)—Following from that matter, I would ask if you would, in the light of the member for Lowe’s question, refer to the Speaker my previous question to him asking him to table the reasons provided by the Minister for Health and Aged Care under standing order 150 for not answering various questions. I ask whether he would table those answers. I have asked this question in the past and the Speaker has said he will act under standing order 150, but
what I am asking is not that the health minister be written to but that he table the answers—I assume he has the courtesy to answer the Speaker even if he does not answer us. We are asking that the Speaker table the answers which he has received. I ask you to refer that matter to the Speaker.

Mr ACTING SPEAKER—I will certainly convey your request to the Speaker.

Questions on Notice

Mr PRICE (3.24 p.m.)—I raise the matter that the member for Lowe has raised, and it is a question to you. Under standing order 150, there is, I believe, a presumption that an answer has not yet been prepared and the standing orders provide the opportunity for you, on our behalf, to write to the minister. Clearly the matter for Lowe is raising quite different. An answer has been prepared and given elsewhere, but the member has not received the courtesy of an answer from the minister to his question on notice—an entirely different issue.

Mr ACTING SPEAKER—if a question is not allowed there is only standing order 150 that can be applied. As far as I am aware, and I believe I am correct, under the standing orders there is no other provision. The member for Lowe has raised the point: I have indicated that the Speaker will write to the minister; I have indicated to the Manager of Opposition Business that I will refer the matter to the Speaker for some sort of response. That particular matter is now closed.

Questions on Notice

Mr KELVIN THOMSON (Wills) (3.26 p.m.)—As did the Manager of Opposition Business, I wish to seek a response, through you, from the Speaker for the reasons for the delay in receiving an answer from the Minister for Health and Aged Care to question on notice No. 404, which I asked him on 10 February 1999. I also seek leave to table a birthday card I have prepared for the minister in light of the fact that two years have passed since I put this question on the Notice Paper.

Leave not granted.

Questions on Notice

Mr MURPHY (3.26 p.m.)—Mr Acting Speaker—

Mr ACTING SPEAKER—Is this the same matter or another?

Mr MURPHY—It is the same.

Mr ACTING SPEAKER—No, I am not prepared to hear you.

Mr MURPHY—It is relevant because I am trying to facilitate you; I am being sincere about this.

Mr ACTING SPEAKER—if you are, please get to the point. The member for Lowe has the call provided he is brief and gets to the point.

Mr MURPHY—I am sure this would help you, Mr Acting Speaker—

Mr ACTING SPEAKER—I do not need your help; you need mine.

Mr MURPHY—I have these letters from the Alzheimer’s Association, effectively answering for Dr Wooldridge and I would be very happy to table them and I am sure that would help you because these letters—

Mr ACTING SPEAKER—Thank you very much; resume your seat. Are there any papers for presentation?

Mr Price—On a point of order, the honourable member for Lowe sought leave to table a document.

Mr ACTING SPEAKER—The honourable member for Lowe mentioned a desire; he did not seek leave. If you consult the Hansard you will find that what I am saying is absolutely correct because I was listening particularly carefully. I was prepared to ask if leave was granted, but he did not seek leave. If he can now get his tongue into order—do you want to seek leave?

Mr Murphy—Yes.

Leave not granted.

Mr ACTING SPEAKER—Leave is not granted; resume your seat.

Mr Adams—On a point of order, the Minister for Forestry and Conservation shouted across the chamber to the member for Lowe that he should sit down. Yesterday
I was asked to withdraw and apologise to the chair for the same comments. I would ask you to ask the minister to do the same thing.

Opposition member—He intimidated us, Mr Acting Speaker.

Mr ACTING SPEAKER—In that case, you are very easily intimidated. Order! I thank the honourable member for Lyons, but I did not hear or see the minister; there is nothing I am going to do about it.

PAPERS

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

MATTERS OF PUBLIC IMPORTANCE
Rural and Regional Australia: Telecommunications Services

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

The failure of the Howard-Anderson government to protect the interests of people living in rural, regional and remote Australia in respect of their telecommunications services.

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 Stephen Smith (Perth) (3.30 p.m.)—The topic of today’s matter of public importance is the failure of the Howard-Anderson government to protect the interests of people living in rural, regional and remote Australia in respect of their telecommunications services. That is a direct consequence of the take out of question time that under the Howard-Anderson government the full privatisation of Telstra is a certainty. It is a certainty under the Howard-Anderson government either before the next election or, if it is re-elected, after the next election. That is the take out of answers at question time to questions from the Leader of the Opposition to the Prime Minister and the Deputy Prime Minister. Why is that? In the course of question time, the Leader of the Opposition asked the Prime Minister whether, because the Prime Minister had said that there were matters to be addressed in respect of service levels before the government introduced legislation to fully privatise Telstra, that was setting the scene for another rollover like the rollover on BAS or the rollover on petrol prices. The Prime Minister said no, it certainly was not. So the Leader of the Opposition followed up with a very sensible question: if you regard the full sale of Telstra as conditional, why is it recorded in the forward estimates as a certainty? The Prime Minister replied that the forward estimates are prepared on the basis of government policy. In other words, the Howard-Anderson government policy is that under it the full sale of Telstra is a certainty. That is its position, that is its policy and that is the take out of question time.

Whatever rollover we have seen on BAS or petrol, today the Prime Minister and the Deputy Prime Minister made it crystal clear that there is no rollover on the full sale of Telstra; the Howard-Anderson Liberal-National government is absolutely committed to the full sale of Telstra either before or after the next election. You are not going to be able to take their word until you see the proceeds for the full sale of Telstra taken out of the budget papers. That will be the only conclusive proof. They will go out into the backblocks and say one thing but, whether they are Liberals or Nationals, in Canberra they will say another. That will be the true test: will the government take the proceeds of the full privatisation of Telstra out of the budget papers? If it will not, then, as the Prime Minister acknowledged today, the full sale of Telstra under the Liberal-National Howard-Anderson government is a certainty. This should come as no surprise because what we know about the Liberal Party and the full sale of Telstra is that they are ideologically obsessed with the full sale of Telstra. This is not a John Howard never, ever like the GST—say it is never, ever and then introduce a GST. This is a Liberal Party John
Howard ideological obsession that they have been attached to for many years.

If there is a real failure here of public policy or of politics, where does the blame lie? The blame lies with John Anderson’s National Party, because there has been a failure on the part of the National Party to stand up for the interests of rural and regional Australia in this respect and to stand up to the Liberals. The topic of the MPI refers to the Howard-Anderson government. In truth it should say the Howard-Anderson Liberal government, because, as we have seen and heard from the member for Page, Mr Causley, this week, the failure of National Party leadership, the failure by John Anderson, the Deputy Prime Minister, is because, if truth be known, he is just a Lib. Whilst we hold out no great hopes for John Anderson’s Nationals to stand up to the Liberal Party, we thought they might have blown in their ear and said, ‘Why don’t you just roll over? We have rolled over on BAS, we have rolled over on petrol prices—why don’t you just roll over on the full sale of Telstra?’ But the Prime Minister today made it absolutely crystal clear that there will be no rollover on the full privatisation of Telstra. It is a certainty under the Howard-Anderson Liberal government, either before the next election or, if they are re-elected, after it.

The regrettable thing, talking about rollover, is that a true National Party leader, a true National Party stalwart, Black Jack McEwen, would be rolling in his grave at the thought of the impostor today leading the National Party. And Anthony, Sinclair, Nixon and Hunt must be walking around shamefaced. We see no interventions from them as we do from former Liberal ministers or prime ministers like Malcolm Fraser or John Gorton. They are shamefaced knowing the impostors that the National Party are today. Regrettably, the Nationals are just the toadies of the Liberals—servile, obsequious, fawning and sycophantic. They are not even strong enough to be cane toadies; they are just toadies. Regrettably, John Anderson is the weakest and most ineffective leader of the National Party we have seen since Charles Blunt. That might actually be slightly unkind to Charles Blunt: at least Charles Blunt could put his stamp on something.

We know that the Deputy Prime Minister and Leader of the National Party is very slow-moving at question time, and from time to time we have heard the description of the Deputy Prime Minister as Ken from Red Hill; Ken—from Ken and Barbie—from Red Hill. Although he still moves slowly at question time, we understand that he has moved away from Red Hill and has moved back to Gwydir. Slow-moving, slow to react, but at least he has moved back to Gwydir. The problem which the members for Page and Kennedy have identified is that you can take John Anderson out of Red Hill but you cannot take the Liberal out of John Anderson. That is the essential problem here: the failure of the National Party to stand up for the interests of rural and regional Australia and the tendency for the National Party to roll over like toadies to the full privatisation of Telstra.

It is actually important to focus on what was the express, specific election commitment that the Liberal and National parties took to the last election, because there has been an outrageous sleight of hand in this matter, exposed completely today by the Leader of the Opposition in question time. The express election commitment which the coalition parties took to the last election was that unless and until the independent telecommunications service inquiry certifies that service levels are adequate, there would be no attempt to privatise Telstra beyond 49.9 per cent. When that was announced, the Minister for Communications, Information Technology and the Arts, Senator Richard Alston, and the Minister for Finance and Administration, Mr Fahey, said:

No further sale beyond 49 per cent will be possible until the government has established an independent inquiry which will assess Telstra’s service levels. Unless and until the inquiry certifies that service levels are adequate, there will be no further sale beyond 49 per cent.

When the Besley inquiry was announced—the government’s jacked up, jumped up, trumped up Besley inquiry—on 19 March, the Minister for Communications, Informa-
tion Technology and the Arts, Senator Alston, reaffirmed that:

The policy states that unless and until the inquiry certifies that service levels are adequate, there will be no sale beyond 49 per cent.

On the same day he said:

Telstra’s faults are a myth. The inquiry will give the tick of health because the suggestion that service levels of Telstra are inadequate is a myth.

The 2000 budget papers reflected the fact that that was the government’s policy. Under ‘Asset sales—Telstra’, the budget papers in May 2000 said:

The Government has committed to retaining its shareholding in Telstra unless and until the independent telecommunications service inquiry certifies that service levels are adequate.

In October when Besley reported, not even Besley could give regional service levels a clean bill of health. Besley said that services to rural and remote Australia were not adequate. That presented a significant problem for the government. Not even Besley gave the rural, regional and remote service levels a clean bill of health. How did the government respond? There was an official response and there was the National Party out in the backblocks response, which, on three occasions this week in question time, the Deputy Prime Minister has refused to repeat.

The official response by the Deputy Prime Minister, John Anderson, in a media release on 12 October after the Besley inquiry stated:

... the legislation to sell more of Telstra will not be introduced until the plan to address these issues has been put in place.

So there was an official shift. No longer was it an independent inquiry certifying that the service levels were okay; it was, ‘We won’t proceed to introduce legislation until we’ve got the plan out there.’ And how do we know that that subtle shift, in breach of the government’s election commitment, was and became official policy? Because in the MYEFO documents at page 158, when MYEFO was published in November, under ‘Asset sales—Telstra’, we find a change from the budget papers in May. Page 158 states:

The sale of the Commonwealth’s remaining shareholding in Telstra is dependent on the passage of legislation through the Parliament. The Government has committed not to introduce such legislation until its plan of action in relation to the independent telecommunications service inquiry into the adequacy of service levels has been fully considered and made public.

That was in breach of their express election commitment that they would not push ahead with it until the service levels had been certified. But because not even Besley gave them the escape route, because not even their trumped up inquiry was able to certify that rural and regional service levels were adequate, they had to change ground, in breach of their election commitment. So now their policy is, ‘All that it will take will be for us to publish a plan that has been fully considered and made public, and that will do; we’ll ram in the legislation.’ That is what the Prime Minister and Deputy Prime Minister confirmed in question time today. All you have to do to introduce legislation to fully privatise Telstra in accordance with the MYEFO documents, in accordance with the financial papers of the Commonwealth and in accordance with the budget papers is simply to produce a plan, to consider it and make it public.

By sleight of hand, they try to slide through it by saying ‘until service levels have been addressed’. But when you put that particular suggestion to the finance and Treasury officers of the Commonwealth, they say, ‘No, it’s not the case.’ In the middle of this month, we saw in the Financial Review the headlines ‘All or nothing—Alston puts “for sale” sign on Telstra’ and, ‘It’s all or nothing as Alston hangs out the for sale sign on Telstra’. On Wednesday, 14 February, there was a public discussion and the government is fully committed and charged up to the full privatisation of Telstra. In the Financial Review of 16 February, Senator Alston was reported in an on-tape interview as saying:

Q: What is the timeframe for Cabinet consideration?

Alston: We’re committed to early action on this.
The Deputy Prime Minister had to get out and continue the sleight of hand in rural and regional Australia. So on the ABC’s The World Today on 14 February, the Deputy Prime Minister, out in the backblocks—trying to pretend, and trumped up when he is out in the backblocks but a coward in Canberra—said:

There will be no privatisation of Telstra until we fix services for rural and regional customers. That issue simply does not arise unless and until country services are brought up to standard. That is the agreed policy. We have some important issues that have to be addressed as a result of Besley. I don’t think this is going to happen overnight either. ... If you ask me in a practical sense, I do not believe we will have them addressed before the next election; no, I don’t.

On three occasions in question time this week—in answer to questions asked by me on Monday, by me again today and by the Leader of the Opposition today—he refused to reaffirm in the House what he had said out in the backblocks. Do you know why? Because what he said in the backblocks was a sleight of hand that he cannot repeat in this House because it is inconsistent with the MYEFO documents; it is inconsistent with the government’s policy. That was confirmed at Senate estimates. When Treasury and finance officers had that assertion put to them, they said:

... in terms of policy the indication that we have had is that the policy remains the same. We have been given a copy of the Prime Minister’s statement on this, which in essence reiterates the policy that was set out in that statement of risks. Given that, there is no decision by the government to change its policy.

What is the government’s policy? The government’s policy in its financial papers is:

Legislation to fully privatise Telstra can and will be introduced as soon as an action plan in response to Besley has been published. The Prime Minister confirmed today: the government’s policy is we will certainly move to fully privatise Telstra.

So under the Howard-Anderson coalition government, you can proceed on that basis, irrespective of what they might say out in the backblocks. When it comes to consideration of the budgetary arrangements of the Commonwealth, under a Howard-Anderson coalition government, you can proceed on the basis of certainty that Telstra will be fully privatised. The Deputy Prime Minister cannot indicate and will not indicate when the service levels will be fixed. He has abandoned the 1998 election commitment of the National Party and the coalition commitment not to move until the service levels are adequate. The Treasurer, the Minister for Communications, Information Technology and the Arts and the Prime Minister have essentially got him acting as a toady for the Liberal Party and are ignoring him. Even finance officers in estimates treat his utterances with the contempt they deserve.

So far as Telstra is concerned, it is not off the agenda until Howard and Costello say it is. It is not off until it is removed from the budget papers. The Prime Minister today at question time made it absolutely crystal clear that under a Howard-Anderson coalition government you can proceed on the basis that the government will seek to fully privatise Telstra either before this election or, if they are re-elected, after it. And that, if they get the chance, will be to the complete detriment of the people who live in rural, regional and remote Australia. For that, the Liberal party stands condemned for its ideological obsession and the National Party, led by the weakest leader since Charles Blunt, stands condemned for its refusal to be anything other than cowards in Canberra and toadies to the Liberal Party.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (3.45 p.m.)—When I saw this MPI shortly after midday today, I thought that the member for Perth must have new information, that there must be some scandal he had unearthed within the administration of the department of communications, or some secret government document floating around to cause him to revisit an issue that nobody could sensibly or credibly revisit. And why late in the week? Why hasn’t it been an issue all through the week? I had to conclude that there would be new information, but there is not. It is the same old charge. It does not matter how often or how plainly, directly or
unambiguously we say it, the fact is that the
member for Perth either fails to understand
or chooses not to understand that the gov-
ernment’s plan for the privatisation of Telstra
is conditional upon there being provided
adequate services for people in rural and re-
gional Australia. The Prime Minister has said
it, the Deputy Prime Minister has said it, the
minister for communications has said it and I
am saying it on behalf of the government.
Could you please, finally and at last, accept
that that is government policy. We have a
policy, we state it, and we give it in the
plainest, most direct language—unlike the
Leader of the Opposition whose prolix ten-
dencies and urge to waffle have now become
the hallmarks of his leadership. There is no
issue here. The member for Perth failed to
establish anything new or anything that in
any way shows that the government has a
secret plan or intention to privatise Telstra
unless and until satisfactory arrangements
exist to deliver adequate services in regional
and rural Australia. It is as simple as that.
The full privatisation of Telstra will not oc-
cur until that condition is met.

In the meantime, our priority, our burning
desire is to get more services into rural and
regional Australia. That is what we should be
debating. We should be debating the ade-
quacy and the level of services for people in
rural and regional Australia. We should not
be launching personal attacks on the Leader
of the National Party or at the Besley inquiry
as the member for Perth has done on yet an-
other occasion. After all, the words of his
own matter of public importance state that it
is to discuss:
...the interests of people living in regional, rural
and remote Australia in respect of their telecom-
 munications services.
I want to talk about the government’s pro-
grams, about our initiatives, and about how,
incidentally, the Labor Party has opposed
each and every one of them. From the partial
sale of Telstra we have devoted $1 billion to
a range of very new and innovative services
to country people across the board, and they
have welcomed it. The Labor Party has not
welcomed it, but people in country Australia
most certainly have. Labor has opposed not
just the billion dollars through the Network-
ing the Nation program but also the other
billion dollars through the partial privatisa-
tion of Telstra that was directed into Natural
Heritage Trust funding. So we have a pro-
gram, we have policies and we have a plan to
restore the communications infrastructure of
rural areas, yet Labor has opposed them. La-
bor has no alternative policy. Labor has
made no funding commitments in any way to
either replace or extend those programs. The
funds from Networking the Nation have de-
ivered enormous benefits, and they have had
a significant effect on the way people in rural
communities go about their commercial and
social lives. For the first time we now know
that 51 per cent of regional homes have a
computer. There was a 21 per cent increase
in just three months last year. Regional peo-
ple are now able to access the Internet from
public Internet access points—libraries,
community centres, shire offices and other
locations—many of which are provided by
projects funded from that Networking the
Nation fund. These programs are reducing
the digital divide between rural and metro-
politan areas and are making it possible for
many more Australians, wherever they may
live, whatever their postcode, to take full
advantage of the enormous potential of the
Internet. Labor has opposed the $20 million
in Telstra funding to deliver affordable on-
line access, $20 million which we put aside
for online access to communities in rural
Australia through the Farmwide Regional
Access Network, better known as FRAN to
its many admirers and adherents. Labor op-
pposed Telstra funding for the $150 million
tender to provide untimed local calls, un-
timed call Internet access and other carriage
services to remote Australia. Labor opposed
$25 million to provide continuous mobile
phone coverage along 11 of Australia’s ma-
jor highways. They also opposed $71 million
in Telstra funds to deliver SBS to more than
1,200,000 more Australians than previously
was the case.

So let us have a sensible, constructive de-
bate that has meaning for the people we rep-
resent. The distrust of and cynicism about
the political system, about politicians and
political parties, is because we will not talk about and act upon the issues of binding concern to them. Here we have an opportunity. The member for Perth gave us the opportunity, for which I thank him. He turned the debate, in his own words, to discuss the interests of people living in regional, rural and remote Australia. And what did we get from him? We got abuse and generalisations, and we got verbalising of the Prime Minister. Somehow, in some imaginative way, the member for Perth took the Prime Minister’s words in question time to be a commitment to the full privatisation of Telstra—unconditionally. That is not it at all. The Prime Minister made it abundantly clear today, and he has done so previously, that the full privatisation of Telstra will not proceed until the government is satisfied that there are adequate services in regional Australia. How many times do we have to say it—in how many different ways and in how many different languages? I ask the member for Perth: what is your preferred language? Is it French, is it German, is it Spanish?

Mr Hardgrave—Gibberish.

Mr McGauran—It is gibberish. That is the preferred language of the Leader of the Opposition. Whatever your choice of script is, we will deliver it. We will find an interpreter. Someone somewhere in this Parliament House must be able to formulate the words that I have just enunciated in a way that the member for Perth will understand. Where are the petrol questions? Where are the business activity statement questions? Where are the trust questions? For heaven’s sake, that is all too hard. For months and months we have had petrol questions and we had—four of them today, but we gave the opposition 10 questions in stark contrast with the five or six questions they used to give us when we were in opposition. But there you go.

Mr St Clair—They ran out of fuel!

Mr McGauran—I think they ran out of fuel, as one of my colleagues says, and they are left with a filler; they have got to have a filler. And what is it? It is telecommunications—and on the most trumped up charges against the government that we are going to have the full privatisation of Telstra. Really! The tactics committee must have got out of bed today and said, ‘We’ve got the government on the ropes once again. We’ve got them on policy issues of significance and of burning public interest and attention.’ And what happens? By the middle of the day, of course, the government had responded to the communities across the length and breadth of Australia and the opposition had nothing to do for the rest of the day except, of course, to pursue the hoary chestnut of the privatisation of Telstra.

I have a confession to make. It is very hard for government members to participate in a lengthy debate on this, because what can we say other than the obvious that has been repeated ad nauseam—which is that we are not privatising Telstra until there is adequacy of services? How could we be criticised for that? Why would the member for Perth ridicule the Leader of the National Party and Deputy Prime Minister for stating that? That is what our constituents want. Don’t think country people are ideologically blinded on this. They know very well that, because of the new competition that the government has fostered and their exposure to a great many carriers, Internet service providers and the like, privately held companies answerable to a board of directors and a share register can behave—within a regulatory framework set down by the government—better in their interests than some lumbering Postmaster-General type of organisation. And, remember, we have the legislative framework within which carriers and telecommunications companies must abide.

So we have put on them the customer service guarantee, we have the universal service obligation, we have the Telecommunications Industry Ombudsman—either all new initiatives by this government or else expanded with increased powers of enforcement. This government has an exemplary record on the regulation of the behaviour of an ever expanding and highly competitive market. We have opened the doors to lower prices and a wider range and better level of services, all within the protection of the pub-
lic interest by way of regulation and legislation—in stark contrast to Labor. What was Labor’s record on the provision of telecommunications services to people in rural and country areas? I can speak on behalf of my electorate of Gippsland—it was zero. It was as if we were off the end of the map. As the online world and the telecommunications revolution was gathering apace in metropolitan Australia and internationally, our country areas were left further and further behind. Now they have caught up and, in some cases, as the Deputy Prime Minister said today, have leapfrogged even metropolitan areas. We as a government do not choose to favour one sector of the community over another. Instead, we want all Australians to have equal access to the very latest and best—and, indeed, necessary—communications services.

How can anyone in the Labor Party show their face in a communications debate, having closed down and sold off the analog phone network? You were going to leave millions of country Australians without a mobile phone service. So it takes a great deal of brazen conceit to come to this parliament and accuse the government of not providing enough services. And, by the way, the member for Perth just stuck on the one charge against the government—that we are going to fully privatise Telstra. There was no discussion about levels of service. Has he got some criticisms about our levels of service? Let us hear them—maybe we can even improve on them further. But the point is that we are moving to repair and restore the very best of services.

Mr Stephen Smith interjecting—

Mr McGauran—The member for Perth is yelling out across the table, ‘Rely on Besley.’ The character assassination that he has engaged in in regard to Mr Besley and other members of that inquiry makes such a call hypocritical. The Besley inquiry was a superb examination of the level of rural services. Services are to be improved and any sale of Telstra is to be conditional. They were going to sell the analog network. Wasn’t that marvellous—denying mobiles to millions of Australians?

Mr Ronaldson—Doesn’t Simon want to sell Telstra?

Mr McGauran—There are stories that there are members of the Labor frontbench who have floated, in conversations with merchant bankers, whether here in Australia or in New York—and even recently—the idea of the sale of Telstra. But they will not identify themselves. We hear their names, but we would prefer—rather than relying on third-hand accounts—they to identify themselves as people who are prepared to look at the sale of Telstra under the same conditional requirements that we have.

We have a whole range of programs that the member for Perth and his colleagues have opposed. They have no policy. They are caught out on telecommunications policy in the same way that they are caught out on policy on all aspects of government administration. It is quite pathetic, really, that the Labor Party has to come in on the last afternoon of a parliamentary sitting week and just recycle the falsity of the Telstra privatisation debate. There must be other issues that they would wish to put forward so as to win the support and confidence of the Australian people.

The member for Perth has given us an insight into how he and his colleagues view regional Australia, because he referred to Telstra Countrywide as a ‘sop to country areas’. He has also claimed that our commitments to regional Australia are bribes. Telstra Countrywide have done superb things in my electorate of Gippsland, and I am sure that is the case across the nation. They have located very dedicated, enthusiastic people—who come from or are intimately familiar with country areas—in those offices. It is no sop. It is resulting in material benefit to my constituents and those of my colleagues. To say every time we do something for regional Australia they are bribes! If the member for Perth really believes that action for country people is only bribes and sops, he is insulting the intelligence of millions of Australians, as he has with this completely
This is the 12th time I have risen in this House to talk on matters relating to telecommunications. I know it is a subject of interest to many members in this House, even indeed to the Chief Government Whip—and I hope he will stay and participate in this discussion. Rural and regional Australia have many concerns relating particularly to this government’s ambivalence towards Telstra and the provision of services in rural and regional Australia. I do not say that lightly. I say that having regard to a report which was produced by the House of Representatives Standing Committee on Primary Industries and Regional Services. That report, running to some 400 pages with 92 recommendations on shaping regional Australia’s future, was titled *Time running out*. Chapter 5 of the report specifically concerned telecommunications, and it included about 20 recommendations specifically related to this area. The areas of concern include telephony, service levels, bandwidth, customer access network, distance, cost, access, matching telecommunications solutions with need, mobile telephony, satellite technology, the universal service obligation, targeted funding intervention, the delivery of government services online and broadcasting. It was an extensive, comprehensive and widespread investigation and inquiry throughout regional Australia. The committee was made up of representatives of all parties in this House, including an Independent—members who live in rural and regional Australia. There was no politics involved in this report—I can vouch for that. Rather, there was a mutual interest in delivering services, in particular telecommunications services, to rural and regional Australia.

The report comprises 400 pages of information and recommendations, based on hundreds of submissions and many meetings throughout Australia. The report was delivered in February 2000 and was commissioned by the Deputy Prime Minister, the minister responsible for transport and regional Australia. There has not been a response to this report since then. We talk about reports being shelved and collecting dust one after the other. As an enthusiastic member of that group, I sat there and said, ‘I won’t join the politics of cynicism. This report is as comprehensive as you will get. It reflects rural and regional Australia, and I was sure that the government would act on it.’ Have we heard from the Deputy Prime Minister, the minister responsible for this report? No—he has not uttered one single word in this House regarding this report. So you tell me where the resources of this parliament go and for what purposes.

I would like to narrow this telecommunications issue to my electorate. When getting information about most regional areas, you literally have to find the information falling off the back of a truck. An internal memo from Telstra came to our attention. It was written by technicians on the ground in the region and it related to telecommunications and service provision in my electorate. It revealed that it would take over 10,500 man-hours just to repair existing faults and to upgrade basic telecommunications services across my region—10,500 man-hours just to do that. It also pointed out that these faults had been reported and documented by specialist telecommunications technicians over five years and had not been fixed. So here we have a government trumpeting its provision of telecommunications services in regional Australia—and my region of the north-west coast of Tasmania and the north of Tasmania is nowhere near as badly affected as remote Australia—and yet we have five years of faults that have not been dealt with, requiring 10,500 man-hours to deal with them.

In some communities, like in that of the beautiful Port Sorell in my electorate—which has just been added from the electorate of Lyons—and even in Devonport, up to 16 Telstra customers share only five lines. We are on the ground now—this is not the airy-fairy discussion that some people might like to have. This means that if five people happen to use those lines simultaneously the others miss out. What if
others miss out. What if there is an emergency and someone cannot get through? If you read the latest February report from the Australian Communications Authority on service provision, you see this perennial conclusion:

Most disturbing is that the Report has found that 14 percent of Emergency 000 calls were not successful either due to no connection being made (3 percent of calls) or due to poor sound quality (11 percent of calls).

That is little wonder when I can give you an example on the ground of what can happen with overload. What is really interesting about this is that we have an internal memo pointing out clearly that we have problems. So what do we do? We sack the people that can fix them. I am not the most logical of people— in fact, I am rather emotional about some things— but I cannot for the life of me follow that logic. So I would like to ask why staff from the NDC have been sacked—we had to wait for that information to ‘fall off a truck’. Why does it take so much effort to get information concerning those who provide services in our electorates? I am talking about the Network Design and Construction section of Telstra.

So you might remember that it might mean something. I would like to read a letter that a constituent of mine has written to me regarding Network Design and Construction. Those people are going to lose their jobs because of this drive for privatisation, the drive to set up Telstra so it can be fully privatised. I do not care whether we are ‘Liberals in gumboots’ or anything else—you can use any name you like, the Prime Minister confirmed it today; it is in the forward estimates, it is government policy—that is what will happen. My constituent says:

My husband along with six other men along the North West Coast were told recently they were to become redundant on Telstra’s NDC (Network Design & Construction). These men are part of families with mortgages & children who have dedicated years to Telstra working ten or eleven hour days, travelling statewide & interstate for work, doing training & continually learning new skills to maintain & upgrade equipment we all use every day. Although NDC have publicly denied it, these redundancies are forced. None of these men would leave their employment given a choice. They are being made redundant simply because they choose to raise their families on the North West Coast.

That is, live, work and want to raise their children in regional Australia. The letter continues:

Apparently no one is needed here even though these men all travel hours a day to get their work done & even though about 40% of their work is along the North West Coast.

They are not needed. She says:

We are not the only ones to suffer, men will be forced to take redundancies country wide.

So with a situation like this why does rural Australia still not have the standard of communications that would be expected?

This is a constituent, a wife of a worker, writing to me. I did not write it. I could not write it this well.

Mr Danby—No.

Mr SIDEBOTTOM—What does that mean? It continues:

Why does Telstra instead choose to spend millions upon millions of dollars overseas?

And why are husbands like mine, experts in their field—and they are; they are highly trained—being forced to take redundancies when some of these men have been told they are among the best NDC have working for them?

Well done. You are a good and faithful servant. Pack your bags, on your bike and head off. She continues:

These men are not being made redundant because they aren’t good enough but because they choose to raise their families here on the North West Coast. Where is the logic in that when they are already prepared to travel & commit to NDC?

That is the story of regional and rural Australia. You can have all the talk, but on the ground they are hurting. Go through the recent elections—Tasmania, Victoria, Queensland and Western Australia—and listen. You privatise Telstra, and it will be like a brown snake in a sleeping-bag, and Mr Katter is not far wrong there. (Time expired)

Mr HARDGRAVE (Moreton) (4.10 p.m.)—I listened to the lament of the mem-
ber for Braddon and would ask that he in fact consult the Premier of Tasmania, Mr Jim Bacon, who has in his possession money from the Commonwealth for improving telecommunications infrastructure but continues to refuse to allocate that expenditure. So I suspect that the letter he has read in fact should be cc’d to Jim Bacon, Premier of Tasmania. That pork barrel that Bacon refuses to spend is in fact at the heart of the problem, I am sure, in the member for Braddon’s electorate because, after all, this government has in fact spent millions of millions of dollars, specifically in Tasmania—so much so that somebody such as me, being from Queensland, would suspect that Tasmania literally must be glowing from electromagnetic radiation, such is the amount of telecommunications infrastructure on that island. The Labor Party cannot have it both ways. They criticised the government when Senator Harradine apparently secured some additional support for his state, yet today they come here and say they have not got sufficient infrastructure.

Anyway, today we have had, I guess, the telecommunications union’s turn all over again. You can almost set your watch by it when the member for Perth comes in here and brings up this proposition about completing the sale of Telstra. The government has stated very simply—and it is also in the Besley report, everything Telstra has put out, everything the government has put out—that it will not proceed to the full privatisation of Telstra until it is satisfied that arrangements exist to deliver adequate services, in particular to rural and regional Australia. In other words, we want to make sure—and this is the government’s immediate priority—that better services, more services, services that are more comparable with more highly populated areas of Australia are absolutely in regional and rural Australia.

It is a complete waste of the time of the parliament for the member for Perth to come in here and raise these sorts of nonsense arguments that he is raising. When you go back and look at the Australian Labor Party in government and what they actually managed to do for rural and regional Australia, you will see that they maintained the copper wire on the dead tree. That was about the level of telecommunications in so much of rural and regional Australia. What is their commitment to that part of Australia? I remember very clearly in the last parliament, when on challenge, I think, by the then member for Hume, John Sharp, who said, ‘You don’t have any members from regional and rural Australia,’ Mr Beazley saying—and the Hansard record will show this—‘Yes, we do. We have got members in Canberra.’ So his whole level of understanding of regional and rural Australia, after 13 years in government, seems to be that Canberra was a regional and rural centre, and therein lies I think a real story.

Labor in 13 years gave no customer service guarantee. We have. They had no inquiry into the proper needs of rural and regional Australia as far as telecommunications are concerned. We have. Not only that but they kicked to death rural and regional mobile phone users by signing a sleazy deal with Vodafone to guarantee that there would be no analog network by about 1999. So what happened? This government had to act on that. We not only extended the use of analog for a while longer but also had to insist upon a comparable service—something that was going to replace it that took in superior technology, something that would last. There are no sleazy deals with this government as far as telecommunications are concerned. But the Labor Party stand condemned by their record.

This government has secured CDMA as a system that works and works extremely well now in rural and in regional Australia. Coverage can only but be improved upon. This government recognises that and is acting upon it. We have looked at and found the way forward. Through competition in telecommunications with dozens of telecommunications suppliers in this country, with private enterprise hand-in-hand with the quasi-private enterprise government owned instrumentality of Telstra, we have found real competition occurring, real competition bringing real results: improved services to rural and regional Australia.
But I just cannot understand what the real bugbear about selling Telstra is for the Labor Party, apart from what the telecommunications unions tell them. After all, each time this government has sold some of that asset, an asset that has served Australia well, we have realised a genuine benefit for all Australians—not just the $1 billion National Heritage Trust funding; we have also directed money into improving telecommunications infrastructure in rural and regional Australia. So each time you hear the Australian Labor Party say, 'Don’t sell any more of Telstra,' that is actually code for, 'Don’t give any more services to rural and regional Australia.' It is as simple as that. We set aside a quarter of a billion dollars—$250 million—for the general fund of Networking the Nation and in June 1999 the government added $214 million funded from the proceeds of the sale of a further 16.6 per cent of Telstra. I have to tell you: if 16.6 per cent of Telstra represents that sort of investment in rural and regional Australia, maybe we should look at ways of selling more of Telstra. But at the end of the day, unless there are guarantees of the level of service, this government will not be proceeding down that track.

I have to say that the Labor Party’s ongoing attachment to the telco unions’ approach is costing rural and regional Australia the sorts of services that they not only deserve but are currently demanding. People in rural and regional Australia need to understand that the Labor Party will do all they can to prevent there being an additional range of services offered responsibly within the economic parameters of government and as a result of the proceeds of a further sale of Telstra. We have to understand that embellishing the need to hold Telstra and Telstra only as the sole supplier of telecommunications is in fact counterproductive to the aspirations those opposite claim to have. They are aspiring to assist rural and regional Australia, but all they are doing is holding it back by their constant utterances written and authorised by the telecommunications unions of Australia.

Turning to Internet access, 51 per cent of people in the country now have computers, and they are busting to get access to the Internet at access rates equivalent to the rate of an untimed local call, like we in the city areas have. This government put $36 million, as a result of the 16.6 per cent additional sale of Telstra, towards just that ambition. More recently, we have funded the universal service obligation. We sent it out to tender and we looked at the range of competing telecommunications companies in Australia. It just so happened that Telstra managed to get that particular concession, but for that money Telstra now have to provide a range of services that were never guaranteed under the previous government.

So what we have had here again today, almost as regular as clockwork, is the same old boring story from the member for Perth, who sits in one of those inner city electorates comfortable in the knowledge that he has cheap access to the Internet, cheap access to his mobile phone service and multiline exchanges at his beck and call—fax services, data services and all these things at his disposal—saying that essentially rural and regional Australia is not going to get those sorts of things under Labor. What he is really saying here is that a Labor government, if elected, would hold back progress on telecommunications in rural and regional Australia.

The trouble is that, if the Labor Party really had the bush at heart and if they really were able to find themselves in the real parts of rural and regional Australia, as the member for Braddon has observed—he condemned his own Labor state government’s inaction in passing on money the Commonwealth had given to that Labor government in Tasmania for telecommunications infrastructure—the Labor Party would be doing the opposite to what they are currently doing. But, as all in this place and certainly all in Australia understand, the Labor Party are under the thumbs of the union.

When the member for Perth comes in here to speak, what he says is written and authorised by the telecommunications unions, who
want to see a big public service telecommunications company continue and do not want to see the likelihood of competition and new services because they are quite happy to continue operating in the way they always have. They do not want to see a dynamic Telstra offering a new range of services and possibilities in competition with other companies that are threatening to do so if they do not. In that regard the Labor Party are setting out a quite deliberate strategy to hold back the progress that should come to rural and regional Australia. If they keep coming in here, month after month, week after week, bringing up the same boring old proposition, we will just have to keep reminding the people of Australia what the Labor Party really stand for in this very vital portfolio of telecommunications, and that is no progress, no hope for the future and no more services for rural and regional Australia. (Time expired)

Mr DEPUTY SPEAKER (Mr Andrews)—The debate has concluded.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Main Committee Report

Bill returned from Main Committee without amendment; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

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

NATIONAL MUSEUM OF AUSTRALIA AMENDMENT BILL 2001

Main Committee Report

Bill returned from Main Committee without amendment; certified copy presented.

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

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

COMMITTEES

National Crime Authority Committee

Report

Mr NUGENT (Aston) (4.22 p.m.)—On behalf of the Parliamentary Joint Committee on the National Crime Authority, I present the committee’s report, incorporating dissenting reports, on the National Crime Authority Legislation Amendment Bill 2000, together with evidence received by the committee.

Ordered that the report be printed.

Mr NUGENT—by leave—The report that I have tabled today is in accordance with a direction from the Senate on 7 December that the Joint Committee on the National Crime Authority should inquire into the National Crime Authority Legislation Amendment Bill 2000 and report by 1 March 2001. The bill is the government’s legislative response to a report of the committee entitled Third evaluation of the National Crime Authority. That report was tabled in April 1998 and it has been a matter of some considerable concern to me that the government’s response has taken nearly three years to be finalised. In particular, the operations of the committee have been in a state of uncertainty in the interim, which was not helped by the advice of the Senate Committee of Privileges, also tabled in 1998, that the committee had acted ultra vires the provisions of the NCA Act when, in 1997, it had received a submission from and subsequently conducted a hearing with Mr John Elliott.

That said, the committee is unanimous in its support for the thrust of the bill in seeking to improve the NCA’s efficiency and effectiveness. It was clear that, after some 16 years of operation, the statute was in need of significant repair. As will be clear from the two minority reports, however, there was disagreement about the appropriateness of some of the bill’s provisions, mainly on the grounds that the need for some of the proposed powers contained in the bill had not been made out to the dissenters’ satisfaction. I will let them speak for themselves in this respect.
The report of the majority has set out in some detail the reasons for its in principle support for all but one of the bill’s proposals. There is not enough time to discuss each one in this speech, but I wish to stress that my support for the bulk of the bill comes from the persuasive evidence the committee received from a range of sources, including from agencies such as the Australian Securities and Investments Commission and the Queensland Criminal Justice Commission, which already operate with considerable success with powers similar to those proposed by the bill to be extended to the NCA.

The submission from Chief Justice John Harber Phillips AC, Chief Justice of Victoria, who was Chairman of the NCA in the 1990-91 period, also carried particular weight. Chief Justice Phillips wrote that obstruction and frustration of the NCA’s activities had occurred in large measure in the past and that the need for reform of the law dealing with non-cooperation with the NCA’s hearings is manifest. He added that, in his opinion, the bill ‘addresses these matters in an effective and balanced way’. His support of the bill was unqualified, including of those aspects with which the dissenters have taken issue. I strongly hold the view that, if organisations such as ASIC and the CJC have been entrusted with the types of powers being discussed, there is an overwhelming case for the NCA to have similar powers available to it to strengthen its arm in the fight against major organised crime.

The one part of the bill which has been unanimously rejected by the committee is the government’s proposals for the future of the committee itself. Part 12 of schedule 1 of the bill is intended to clarify the ability of the committee to request and receive certain information from the authority. Given its supposed role as the parliamentary watchdog over the NCA’s operations, especially in relation to its use of its special powers, it might be assumed that the committee would have an unfettered right of access to NCA information. However, even under the revised provisions of the bill, this is far from the case. In fact, in the committee’s view, the bill will provide it with no more right of access to NCA material than does any other House or Senate standing committee. In these circumstances, the committee has concluded that the bill’s provisions are hopelessly inadequate and that the government should either replace them, with a view to the committee having genuine scrutiny over the NCA’s operations, or, if such changes are unacceptable to the government—and I suspect that they are—the provisions in the act creating the committee should be repealed.

In conclusion, my own view is that the measures contained in this legislation to strengthen the NCA in its fight against today’s very clever criminals are absolutely necessary. To water down this legislation in relation to the NCA in any substantial way is merely to give encouragement to the drug dealers and other major criminals loose in our society today. I commend the committee’s report to the House.

Mr KERR (Denison) (4.27 p.m.)—by leave—I thank the chair for the generous remarks that he made. He has proved to be a very cooperative Chair of the Joint Committee on the National Crime Authority. It think it is fair to say that all committee members commenced this inquiry, and continue to approach the work of the committee, on the premise that the extraordinary powers granted to the National Crime Authority are exceptional in their nature and that any case for change to or increase in those powers has to be established—in other words, the burden of proving the case of necessity for additional powers falls upon those who argue for them.

In this instance, the committee as a whole is satisfied that there is a justifiable and correct case to deal with some of the deficiencies of the existing act which time has proved to exist. In that regard we were particularly impressed by the evidence of both the current chair, Mr Gary Crooke QC, and the former chair, Mr John Broome, and by the carefulness with which they addressed the difficulties that the National Crime Authority has confronted in trying to exercise the powers that this parliament intended to confer many years ago upon the authority
in order to deal with complex organised crime. However, there is, as the chair correctly noted, a difference in relation to where the balance ought to be struck. There are four points on which four members of the committee—those who are members of the Australian Labor Party—have put forward a minority report.

Firstly, we do not believe that it is appropriate to extend the power to grant warrants under the National Crime Authority Act to state magistrates. There is a concern widely held in the community that too often the power to grant warrants by magistrates is used too loosely. That is a view which our minority report subscribed to out of caution, lest the very wide and extraordinary powers that the NCA can exercise from time to time might be thought to be too loosely granted and rubber-stamped. Secondly, we reject at this time the need for a contempt regime. We do so, firstly, because we are not convinced on the materials that were submitted that any case for the necessity was made out; and, secondly, because we believe that there is a danger that the community at large may regard the conferral of powers, which are normally conferred only on courts, as inappropriate to confer upon an investigatory agency of the nature of the National Crime Authority. The arguments are canvassed in more detail in the report. We note in that regard that the concerns of the minority are also shared by the Attorney-General of South Australia and a number of other key submitters.

Thirdly, we are very strongly of the view that the government has got it wrong in the proposals regarding the scrutiny of complaints by the Ombudsman. Whilst we welcome, very much, that this bill for the first time puts in place a regime that will mean that the National Crime Authority and its conduct will be the subject of external objective review by an independent outside body—the Ombudsman—we do not believe that community concern about the importance of that scrutiny will be properly dealt with so long as a general right resides with the Attorney-General to prevent the Ombudsman from inquiring into particular matters. So our recommendation is that the Ombudsman’s right to inquire should not be so fettered; but we think it appropriate and important, given the operational sensitivities that sometimes apply to National Crime Authority matters, that the other provision of the bill that would allow the Attorney-General to prevent the publication in some instances of matters which might go to those operational instances be retained.

Fourthly, the minority report turns to the provisions which go to staffing. We do not believe that any evidence whatsoever was put before the committee which could have gone to satisfying us that the changes proposed are appropriate—and the detail of the reasons is set out in the report. No disrespect is meant to the chair of the National Crime Authority, who has argued the case that he should be given greater flexibility, that these are rejected. We believe, however, that the arguments, once tested, simply did not stand up to scrutiny, that ample flexibility exists under the ordinary Public Service Act provisions and that the power of the authority to appoint consultants and a general counsel would enable sufficient flexibility for the authority to operate effectively as it has in the past. We note in that regard that that view is shared by a former chair of the National Crime Authority, Mr John Broome, as well as the public sector unions involved.

Finally, I make a comment on the chair’s remarks about the unanimity with respect to the view of the committee that the powers of the parliamentary committee be addressed. This has been a longstanding concern of the committee. We, I think, collectively operate extremely well, and I believe that it has been of advantage to the National Crime Authority and to the parliament to have a body comprised of members from both the Senate and the House examining the conduct of the National Crime Authority. But it has been a real matter of concern that the depth and adequacy of scrutiny are not sufficient. Although not addressed in this report, we on the Labor side also believe that there would be advantages in extending the breadth of review of law enforcement beyond that of the National Crime Authority to the whole of
the institutions of law enforcement—that would include the Australian Federal Police and other agencies directly involved in law enforcement. That is a proposal which we intend to move, consistent with previous amendments which we have moved and for which we have sought to obtain government support for in the past, to broaden parliamentary review of law enforcement and to enable greater scrutiny of the strategic and national interest matters that are involved in law enforcement.

But, that said, the four Labor members of the minority who have put in a separate report do not join with the Democrat member of the committee, who would also reject some of the provisions on which we are all agreed. We believe that the case for those provisions has been made out. We understand that the existence of the National Crime Authority itself is a matter of some strong views amongst some in the community. But I think the majority of the community believe that we need to have a systemic response to the threats that are posed to this country from organised crime and that that does necessitate giving to a specific organisation, which is narrowly directed towards major organised crime principally and which is interjurisdictional and transnational in many instances, sufficient powers for it to do the job that it is charged with and in an appropriate manner. In this instance, we join with the majority in those propositions, which go to the core of the measures which are being proposed.

I turn to the issues on which we differ. We would hope and commend to the minister that the minister look at these minority views and concerns, because it is my firm view that it is in the parliament’s interest that, where we are commonly agreed, we get those matters out of the way so that the National Crime Authority has the requisite and appropriate agreed measures that it has been seeking and that we perhaps argue another day over the matters on which we are as yet not in agreement. Of course, that is a matter for the minister. But, projecting this forward in one’s mind, one can see that the difficulty of getting the bill in its present form through the Senate is likely to loom large in the minister’s mind. I—and I am sure all members of the opposition—extend to the minister goodwill in seeking to facilitate the passage of those parts upon which we are agreed and which the opposition has urged for some time. A number of those matters are matters which I have raised in this House previously on behalf of the opposition. So there is no difference whatsoever in terms of a common objective to have strong and effective measures available to the National Crime Authority. There is simply a difference in relation to some of the ‘one bridge too far’ proposals that the government has sought, in particular, the employment issue—an issue upon which we are not persuaded that the organisation would not be internally damaged were it to pass.

Mr HARDGRAVE (Moreton) (4.37 p.m.)—by leave—I am very pleased to associate myself with this report by the Joint Parliamentary Committee on the National Crime Authority on the National Crime Authority Legislation Amendment Bill 2000, tabled today by my friend and colleague the member for Aston. As the chair of the parliamentary joint committee oversighting the National Crime Authority, he does a tremendous job in ensuring that there is proper scrutiny of what is a most important agency and authority within Australia’s law enforcement aspirations. The National Crime Authority needs to have the necessary powers and tools to effect its ongoing goals of gathering the intelligence and catching the bad guys.

The criminal element, as you would know, Mr Deputy Speaker, are always one step ahead. The challenges through technology, through the ease with which international linkages are maintained and through the way that certain transactions are perhaps hidden require the National Crime Authority as an organisation constantly having to reassess the range of powers it would like to have and just how it can stay one step ahead of the criminal element in this country, who are preying on everyday people in places such as my electorate.
The role of the committee is to always review the aspirations of an organisation like the NCA to ensure that it is given what it needs, but not more than it should have. That is what this report is all about. There are a number of important aspects to the report which have been outlined very effectively by the member for Aston. While I acknowledge that the member for Denison has presented some contrary views on some matters, this does not in itself suggest any weakness in the committee’s deliberations on these matters. Rather, it is part of the appropriate level of debate that any parliamentary committee should undertake on important matters. To see a range of views expressed in a bound volume that is now part of the public record, I believe, is one of the great and warming characteristics of the parliamentary processes in this country. It also provides a certain level of ready caution to those who may seek to exceed their authority when it comes to enthusiastically chasing the bad guys.

So as far as I am concerned, the way that the National Crime Authority liaises and cooperates with the various states and jurisdictions and inspires them to give up some of their turf, so to speak, to allow the cooperation of the NCA, Federal Police and other agencies to complement state jurisdictional activities is a very fine activity indeed. Likewise, the sorts of linkages that the authority has been able to forge with overseas agencies mean that Australians can feel that there is a proactive anti-crime fighting body in this country.

People on the streets say to me often that the problems of drug related crimes need to be further addressed. They speak of the frustration they feel as victims of crime—of break and enters and assaults by those who have drug habits and who seek the funds to finance their habits from ordinary folk in the street, with essentially the money then going up the line to organised crime elements. That is what the National Crime Authority has as a core activity and aspiration to try to defeat. That so much of that money then ends up offshore, wired away through all sorts of means, is another thing it looks at. The contents of this report outline clearly our views, our concerns and our discovery of the process that it is undertaking on behalf of all Australians. I congratulate the officers and those involved with the National Crime Authority. I also thank members of the committee for their good conduct of this inquiry and I commend the report to the House.

Mr EDWARDS (Cowan) (4.41 p.m.)—by leave—I compliment the member for Aston on his chairmanship of the Joint Parliamentary Committee on the National Crime Authority. I think he has done a good job. I certainly agree with the previous speaker. I think this committee has worked well. One of the reasons it has worked well is that we have been prepared to address our task in a fairly conscientious manner. The fact that there is a minority report is an indication of the strength of this committee.

I must say that I see the NCA from different eyes these days. As a former minister for police, during the 1990s I was very concerned about the manner in which the NCA was conducting itself. I was even more concerned about the then actions of the joint parliamentary committee. I know that Western Australia, along with a couple of other states, came very, very close to withdrawing all support for the NCA because of those political activities. So from that point of view I am very pleased to be a part of this committee and very pleased with the manner in which it has worked.

Having complimented the chair of the committee, I certainly want to compliment the member for Denison, the Hon. Duncan Kerr, for the very fine way in which he led us to this minority report on the National Crime Authority Legislation Amendment Bill 2000—a minority report which I am very pleased to put my signature to. I thank him for the leadership that he has showed. I would also offer the minister every goodwill. I certainly encourage the minister to have a good look at this minority report. As I have already stated, I have had some experience on the other side of the fence in terms of the National Crime Authority and know that the member for Denison has also had much ex-
experience and has a good record of strong support for the NCA. I think that experience recommends itself to the minister.

I again encourage the minister to have a good solid look at this minority report. It is a good report. I want to see the NCA operate in such a way as to be open, accountable and capable of dealing with the complaints that are from time to time lodged against it. It needs to be able to deal with those complaints in an open and forthright manner. If we do not get the complaint procedure right, I think we will be weakening the ability of the NCA to conduct the fight that it needs to conduct against organised crime in this country. I support the minority report.

CLASSIFICATION (PUBLICATIONS, FILMS AND COMPUTER GAMES) AMENDMENT BILL (No. 2) 2000

Consideration of Senate Message

Bill returned from the Senate with an amendment.

Ordered that the amendment be taken into consideration forthwith.

Senate’s amendment—

(1) Schedule 1, item 13, page 7 (at the end of the table of exempt films), add:

13 Community or cultural A film wholly comprising a documentary record of a community or cultural activity or event

Mr WILLIAMS (Tangney—Attorney-General) (4.45 p.m.)—I move:

That the amendment be agreed to.

This bill will implement a number of important changes to the cooperative national scheme for the classification of publications, films, videos and computer games. The changes, which are primarily of a procedural and technical kind, will serve to streamline the classification procedure. Under the new arrangements, the government proposed that the range of films exempt from classification be expanded to include certain current affairs, hobbyist, sporting, family, live performance, musical presentation and religious films. These exemptions only apply to material that is suitable for children at the G or PG level. I will come back to that because that is the area in which the amendment was moved.

The bill is probably best known for formerly having provisions relating to the abolition of the X classification and the introduction of an NVE classification. The decision to retain the X classification, which was supported in the Senate, reflects concerns that have been expressed that the NVE, as a classification, did not accurately reflect the material contained in that category. The government was concerned about some of the material permitted in the X classification. This material, which included certain fetishes—the use of sexually aggressive language and the portrayal of persons over the age of 18 as minors—will no longer, as the result of the bill, be permitted in the retained X classification.

The further restrictions on the content of the X classification were effected by an amendment of the National Classification Code and the classification guidelines with the agreement of the Commonwealth, state and territory censorship ministers on 18 September 2000. Other amendments to the bill have been agreed by the states and territories. Some will, in fact, require complementary state and territory legislation. Most of them have already been discussed with the industry and have been warmly welcomed.

The bill also contains a broad range of mostly minor procedural and technical amendments to the act. While these are too numerous to mention here, they are of course dealt with in the explanatory memorandum that accompanies the bill. There are two amendments that should be referred to specifically. The first relates to the expansion in the range of films that are to be exempt from the classification point I have already mentioned. Since 1 November 1997, the OFLC has been required to recover, through fees, the full cost of providing classification services. At the time those fees were introduced, concern was expressed about the effect of cost increases on the classification of material that has a limited market appeal in Australia. This concern continued following the government’s decision to introduce full cost
recovery for the OFLC and the introduction of legislation to impose charges for the provision of OFLC services as a tax. Legislation to give effect to this decision has now been rejected by the Senate. In the light of those concerns, I appointed Ernst and Young to review the proposed charges structure and, following their review, the government introduced amendments to the act to expand the power of the director of the classification board to waive fees and charges.

I referred to the amendment made in the Senate. An amendment was moved by the Democrats in the Senate yesterday and it was passed with the support of the opposition. It would add to the list of exempt categories of film a film comprising a documentary record of a community or cultural activity or event. In the government’s view, the vast majority of films that might fall within this additional category would also fall within other categories in the list of exemptions already included in the bill. For that reason, the government considered the amendment was unnecessary and did not support it in the Senate. Nevertheless, this bill contains a wide range of significant and highly desirable reforms. It would be a shame to delay the implementation of those reforms because of this issue alone. The government has decided therefore to accept the amendment made by the Senate.

The changes introduced in this bill reflect five years experience at the operation of the national classification scheme. It will provide significant benefits to the industry and the community alike and will ensure that the classification scheme continues to operate efficiently.

Mr McCLELLAND (Barton) (4.50 p.m.)—The opposition supports the motion. By way of explanation of our agreement to the amendment moved by the Australian Democrats in the Senate, we saw it as appropriate to expand the category of exempt films, as the Attorney-General indicated, to include such films as the new definition will add—a film wholly comprising a documentary record of a community or cultural event. The precondition to that exemption is that the exempt films are not required to be classified, provided that, if they were to be classified, they would be at least at either the G or PG level, that is, suitable for children—in summary, as the Attorney-General indicated. We thought it was appropriate to add to those categories which are already exempt under the act—which include films containing material of a business, accounting, professional, scientific, educational, current affairs or family nature—the new category of community or cultural event. So the opposition supported the Democrats’ amendment and we anticipate that the amendment will be approved shortly at the forthcoming meeting of state and territory ministers responsible for censorship.

The only comment I would make in concluding my comments on this bill as a whole is that the Attorney-General referred to the five-year period where the cooperative scheme has been operating in the censorship area. It is a good scheme: it is one based on a genuine cooperation between the federal and state governments in this area. It is in that context that I expressed concern regarding the actions of a minority, it must be said, of members, but regretfully they carried the day in this. That was despite an agreement having been reached among federal and state ministers regarding the categorisation of what will effectively be, for want of a better term, a cleaned up version of what will be marketable by removing what I think all members and senators have generally regarded as inappropriate, such as material containing fetishes and other inappropriate things such as adults portraying themselves as children in this sort of literature and broadcasts. We all agreed that it was inappropriate for that sort of material to be marketed. But all that has happened because of the pressure of a small minority of members is that, instead of this material having been removed 18 months ago, it will not be removed for several months. What I pointed out initially when I spoke on this bill—and I am not trying to verbal him; I think the Attorney-General agreed with me—was that the substance of what was being done was far more important than the terminology. It is
regrettable that people found it necessary to risk the cooperative scheme that has existed between the federal and state governments for the purpose of making their point, which was basically one of terminology. In sticking to their guns and pursuing that point—in some cases, grandstanding about it—they put pressure and strain on what has been a very effective cooperative scheme and indeed have delayed the removal of what we all agree is inappropriate material. Those comments are on the record. Be that as it may, we are supporting the bill as it is now constituted.

Mr WILLIAMS (Tangney—Attorney-General) (4.55 p.m.)—The member for Barton mentioned the cooperative scheme and made some comments about it. I would like to add to those comments. I agree that it has been a very successful scheme. It has been operating for some five years and, while there have been meetings of the censorship ministers, as they are referred to—inappropriately—approximately every four months over that period, we have found that the scheme is now working sufficiently well that the number of those meetings can be reduced. The role of the censorship ministers council is an important one because it is through those ministers that the standards are set under which the Classification Board and the Classification Review Board operate. It is a fairly complex set of arrangements under which there is cooperative Commonwealth-state legislation, under that there is a classification code, and under that there are guidelines. There are guidelines relating to books and other publications, and guidelines relating to films and videos. Computer games are separate. What we have found now is that the media are converging and it is somewhat difficult at times to tell whether something should be classified as a film or video on one hand or as a computer game on the other. What we are proposing now is that, in lieu of separately reviewing the guidelines for films and videos on the one hand and computer games on the other, we will combine them into a single review and perhaps set standards that will be capable of application where there is doubt as to how it is to be dealt with. The public will have an opportunity to comment on proposals for amendment of the guidelines in the very near future.

Question resolved in the affirmative.

TARIFF PROPOSALS

Mr COSTELLO (Higgins—Treasurer) (4.58 p.m.)—I move:

Excise Tariff Proposal No. 3 (2001)
Customs Tariff Proposal No. 2 (2001)

The tariff proposals, which I have just tabled, contain alterations to the Excise Tariff Act 1921 and the Customs Tariff Act 1995. The Excise Tariff Proposal No. 3 (2001) and Customs Tariff Proposal No. 2 (2001) formally place before parliament changes to the rates of excise and customs duty on petroleum products. (Quorum formed)

Excise Tariff Proposal No. 3 of 2001 and Customs Tariff Proposal No. 2 of 2001 formally place before parliament changes to the rate of excise and customs duty on petroleum products. These proposals are in furtherance of the announcement which was made by the government today of a reduction in the petroleum and diesel excise. Under the new arrangements to be introduced from 2 March 2001, excise and customs duty will be reduced by 1.5c per litre for unleaded petrol, leaded petrol, diesel and other petroleum products that attract equivalent rates of duty. Duty on aviation fuels and on those petroleum products attracting concessional rates of duty will be reduced by a proportional amount. As was also announced by the government today, indexation of petroleum excise will be abolished, and the government will shortly bring forward legislation to give effect to this. A summary of the alterations contained in these proposals has been prepared and is being circulated.

This is good news for all Australian motorists, and it is good news that the Labor Party was never able to deliver. It was the Labor Party that introduced indexation and took the petrol excise from 6c to 34c. As I said in question time today, the Labor Party increased petrol excise 35 per cent per annum for 13 years in a row. It was this gov-
The reduction in petrol excise which the government is introducing today is in addition to the changes which have already been put in place. The changes which have already been put in place in relation to business mean that business pays 10 per cent less for its petrol than would have been the case under the Labor Party’s high excise regime. In addition to that, the government has put in place an arrangement which has cut the tax on diesel where it is used to transport goods out to and back from rural and regional areas. That was, of course, an arrangement which cut by 24c a litre the Labor Party’s tax regime on diesel. If the Labor Party had had its way, every single person in rural and regional Australia would be bearing the cost of an additional 24c a litre on their excise.

Did the trade union officials opposite ever have any consideration at all about cutting transport into rural or regional Australia? Did they ever make any move in relation to reducing the cost of heavy transport? No. These are the people who increased the diesel excise for everybody in rural Australia from 5c to 34c and it took this government, the coalition government, to introduce a reduction from 1 July 2000 of 24c a litre into rural and regional Australia. That was done in conjunction with a new tax regime which took taxes off exports and helped people in rural and regional Australia. From 1 July 2000 we introduced a 10 per cent reduction for every business which gets an input tax credit for GST paid. We introduced from 1 July 2000 a 24c a litre reduction in relation to heavy transport. We introduced from 1 July 2000 a scheme which pays one or two cents, depending on the remoteness of the location, to equalise prices between city and rural and regional areas.

We have never really had a straight answer from the Labor Party as to their intentions in relation to the fuel sales grant. What we know is this. When it was introduced, the small business shadow minister paraded the fact that the Labor Party thought the scheme was of no use. To this day, we have not had an undertaking from the Labor Party to support the government in relation to that scheme. So on 1 July, we introduced a reduction of 10 per cent for all businesses where they use petrol in their business, a reduction of 24c a litre for heavy transport in rural or regional Australia and an introduction of a fuel sales grant of one or two cents a litre to equalise back prices. In addition, today we have introduced a discretionary reduction of 1.5c per litre and, something that has never before been done in Australia, not since indexation was introduced in 1983, this government has pledged to abolish it.

Only the coalition has the economic credentials to be able to reduce taxes, not only in this area but also income taxes. The coalition has introduced the largest income tax reductions in Australian history. It has introduced a company tax reduction and a capital gains tax reduction effectively of 50 per cent in relation to gains. Only the coalition has been able to reduce taxation in Australia. As part of our tax reforms we not only pay a full rebate for off-road diesel used in agriculture
and mining but we have also introduced a rebate in relation to rail and marine transport.

Think of the tax reductions that would have been possible if we had not had to service $90 billion of Labor debt at 10 per cent, which is $9 billion a year. Can you imagine the reduction you could have had in diesel and petrol excise? We took that $90 billion, we serviced it, we paid it back, we ran the economy, we reduced the 24c a litre for heavy transport, we introduced a fuel sales grant, we reduced the 10 per cent for business, we reduced the diesel in relation to marine transport and rail transport and, in addition, today we reduced fuel excise by 1.5c per litre and we pledge to abolish indexation. Without good economic management, you cannot deliver tax cuts. The Australian Labor Party never delivered a reduction in excise. In 13 years, the Australian Labor Party took excise from 6c to 34c.

Mr Crean interjecting—

Mr COSTELLO—The member for Hotham claims that they reduced it in taking it from 6c to 34c! They took it from 6c to 34c and he claims they introduced a reduction! This is trade union logic. The reality is that the Labor Party took an excise rate of 6c per litre which finished at 34c per litre. They never had the capacity to reduce it in relation to rural and regional Australia. They never showed any concern whatsoever for the farmers of Australia. They never showed any concern for the businesses of Australia.

Mr Crean interjecting—

Mr COSTELLO—You interject at this time, but you have a record of complete failure. What absolutely amazes me is that throughout the whole of the period, as the Labor Party was increasing excise they were actually running a deficit of $10 billion. Even though you were increasing the excise to the degree that you did, you were increasing debt by around $10 billion per annum. How can you do that? How can you increase tax, not make your ends meet, run a deficit and borrow the difference?

Mrs De-Anne Kelly—The Labor way.

Mr COSTELLO—Only the Labor way—the Australian lazy party. The Labor way was not only not to cover their recurrent expenditure; it was to run a deficit and then the Australian lazy party, through the late 1980s, engaged in a process of privatisation of Australian Airlines, Qantas and the Commonwealth Bank where they took the proceeds of a capital sale, treated it as recurrent revenue, expended the amount fully in the year and then borrowed the difference. Ask yourselves: where are the proceeds of the Labor Party’s privatisation in relation to Qantas, Australian Airlines or the Commonwealth Bank? Where are the proceeds of the Labor Party’s privatisation? One of the advisers to Mr Hawke sits there—presumably he was part of this. The Labor Party treated the proceeds of privatisation as recurrent revenue, spent all of the recurrent revenue, all of the proceeds of privatisation, ended up with a deficit and were still borrowing on financial markets.

It is an extraordinary thing: they took all of their revenues and spent them. They took the proceeds of privatisation and treated that as revenue and spent it. They still ran a deficit and they still went on to the financial markets to borrow the difference. In their last five years—notwithstanding totally expunging the funds of all of the privatisation, notwithstanding the fact that they withdrew the l-a-w income tax cuts, notwithstanding the fact that they increased all rates of wholesale sales tax and notwithstanding that they had had a 35 per cent per annum for 13 years increase in petrol excise—they were still actually running deficit budgets and borrowing on financial markets. On this side of the House, when we hear the shadow Treasurer talk about surpluses, we consider it an item of great humour. They never actually delivered a surplus. They never had the capacity to balance a budget and yet, now, after the government has actually got into business, balanced the budget and delivered surpluses, the shadow Treasurer has taken a great interest in surpluses. It is a luxury we never had when Labor was in government. We could not take an interest in surpluses
because your surplus was negative $10,000 million.

Mr McGauran—He is denying it.

Mr COSTELLO—Rubbish. Your last budget was a negative surplus of $10,000 million. You actually expended all of your revenue, you used up all the proceeds of privatisation, you took the petrol excise up by 35 per cent per annum, and then you produced an outcome of negative $10,000 million. It really was a sight to behold. In comes the government: the government balances the budget and reforms the taxation system. The Australian lazy party opposes us on both issues and then it says, ‘We are now interested in surpluses’—in other words, they are now interested in coalition surpluses. In this country there is only one kind of surplus—a coalition surplus.

These measures that have been put in place will be put in place consistent with good economic management. They will be coupled with strong powers through the Australian Competition and Consumer Commission to prevent price exploitation. They will be accompanied by price monitoring by the Australian Competition and Consumer Commission. I made it clear in question time today that the government has not reduced the 1.5c per litre excise as a benefit to oil companies but as a benefit to motorists. The government expects that it will be passed on to motorists. The government will be ensuring that the ACCC is given the powers to regulate the matter. This is an excise reduction for the motorist and for the consumer. It is being made for the benefit of those Australians who have been suffering from petrol prices which are far too high. The reason those petrol prices are far too high is because the world oil price is far too high, but the government has decided that it will be taking such steps as are consistent with good economic management to make a step in this direction to reduce the excise by 1.5c and to put in place a permanent arrangement with the abolition of Labor’s indexation to ensure that petrol excise does not in the future follow up the consumer price index. I commend the measure to the House. (Time expired)

Mr CREAN (Hotham) (5.18 p.m.)—The triple backflip is complete. The Treasurer, the backflip kid—triple backflip with pike this week, degree of difficulty 3.8—is the guy who has hit his head on the board on the way down. This is the Treasurer whose humiliation is complete. This is the Treasurer who came in here today telling you what he is doing with indexation and who said, last November, that:

Anybody who tells you that you can solve petrol prices by dealing with indexation is not giving you the facts.

And he has given you none of the facts tonight. He has come in here with his rhetoric, but what he has is the triple backflip. There is one important question that the Treasurer has to ask, and it goes to the question of how this backflip will be paid for. The Prime Minister today admitted that it will cost the budget $555 million next year. If you read the transcript of his press conference today, he actually said that that $555 million next year is not going to come off the $3.2 billion adjusted surplus in the budget. That surplus is down at $3.2 billion now because of recent expenditure decisions, but the Prime Minister is saying that the $555 million he announced today for next year is not off that $3.2 billion, it is included in it. In other words, the government are making the Australian public pay for the petrol tax they have ripped off them. This is the shoplifter caught red-handed, forced to give back the goods, but as he is giving them back he turns into a pickpocket—he takes the $555 million out of the public’s hands, out of their pockets. Let the Treasurer come in and deny that. The Prime Minister has tried to indulge himself in some little deceit today, saying that they have listened to the public and that they are going to adjust the budget accordingly, but this is going to be borne by either savings or other taxation measures when the budget is put together next May. We want the government to tell us now how they will fund that $555 million. While the Treasurer is in here, he should take the opportunity to deny what I have said.
Mr Costello—Well—

Mr CREAN—No, you sit down and wait for your turn.

Mr Lee—Sit down, Roll-back!

Mr CREAN—Do another backflip.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The question is before the chair. The Deputy Leader of the Opposition will speak to the question.

Mr CREAN—So the Prime Minister has been caught out. They are cutting spending and they are reordering priorities to pay for this, but they will still keep the surplus at $3.2 billion. How can they do that? That is what they have not explained to the Australian public today. Here we are: the shoplifter is now a pickpocket, but we still want to get into his garage to see what the stash is because we know that the government has collected a petrol tax windfall.

Ms Macklin—How much?

Mr CREAN—That is the question we want answered. We have put 36 questions on notice to the government and they have not answered any one of them with precision. We want to know the assumptions that Treasury used in relation to the price of crude oil and where they expected petrol prices to be. Only when we see those assumptions can we make the judgment as to what has been factored into the budget versus what is in addition to that by way of windfall. If the government says that there is no windfall, why is it hiding these assumptions? That is why we want to see the shoplifter-turned-pickpocket’s garage—we want to see the stash. That is what we want to see, because I think the Australian public needs to know.

We have had this Treasurer and this government elected on the basis of what they called a Charter of Budget Honesty. What sort of honesty is it when they announce a measure today and they will not tell you how it is to be funded and when they will not provide—under scrutiny of the parliament—the assumptions by which we can determine the extent of the windfall? Come clean! What have you got to hide?

The government would have you believe that this is all being done out of the goodness of their heart—that they always intended to do something for Australian motorists. This decision today was policy through panic. This was not the politics of conviction by this government; it was the politics of panic. They could see what was happening to them, having lost two state elections in which we said to the people who went to those elections: ‘John Howard is not listening to you on the BAS and he is not listening to you on petrol. Labor has put forward two proposals to address simplicity in the collection of the BAS and it has put forward a proposal in relation to petrol tax relief. If you want to send a message to John Howard that he has got to do something, vote Labor.’ And they voted Labor in droves. Western Australia was a decisive win for Labor and Queensland was a landslide.

We have now got the government in freefall panic—the Treasurer being forced to do his triple backflip and pike and hitting his head on the way down, having no say in it, just being told by the Prime Minister, ‘I’ve rolled you once, I’ve rolled you twice, I’m going to roll you three times. Roll over and enjoy it.’ This from the Treasurer who used to mock Labor with, ‘We never hear the word roll-back,’ this from the Treasurer who is being forced to roll back on the GST, on BAS and on petrol and this from the Treasurer who was humiliated in being unable to deliver an agreement that he reached with me—when he knows he has got the numbers in this parliament—because he was rolled and told that he could not even bring it into the parliament. What courage has this guy got! What conviction has this man got! He wants to pretend that he is a good economic manager. This bloke could not organise a chook raffle at the moment, because he would have no-one prepared to buy the tickets. He has been losing support in his party room so fast it’s not funny. John Howard has played him at a break. He has been prepared to put him out there as the fall guy to continue to make these tough decisions and has pulled the rug from under him. This is a
Treasurer without clout, without the ability to carry an argument within the cabinet.

We heard him in the debate carrying on about his concerns for regional Australia. Do you remember that headline? He had a solution to unemployment in the bush not so long ago. It was: ‘Take a cut in your wages.’ That was the Treasurer’s decision in terms of the bush: ‘If you want to solve unemployment in the bush, take a cut in your pay.’ And then, when he was asked about people who had been retrenched from work, he said, ‘That’s all right, they can go mow a lawn.’ This is the caring Treasurer! This is the person that would have you believe that he has really got the interests of rural and regional Australia at heart. He tries to pretend, because he has done one trip out there by John Anderson. As I said, it was like the Brothers Grimm visiting the regions—these two, out there, bringing good news and great joy to the bush. This is the person who says in here now, when he has been forced to do this backflip, that he is doing it for regional Australia. Do not believe it. He is doing it because he has been forced to by the Prime Minister, and the Prime Minister is doing it because he has been forced to by the Ryan by-election.

This tallies something like $2.7 billion in expenditure over the course of the next four years. That is something around $40,000 per voter in the Ryan electorate. This is a Prime Minister not driven by conviction, not driven by the interests of Australia as a whole, but by being prepared to do anything to save his mangy hide—a hide that does not deserve to be saved, because he has been deceptive so much about this GST. This is just one example of his being caught out. Not one thing that the government has said about the GST has been borne out. Remember the promises about the GST, that all people over the age of 60 would get a $1,000 savings rebate. Wrong. Not delivered. John Howard said, ‘Read the fine print.’ And it was fine print that was put out after the election. He said the same thing about petrol: ‘It won’t put the price of petrol up.’ It did. He said, ‘Ordinary beer will only go up 1.9 per cent.’ But he has a bill in the parliament that will put it up by over 10 per cent. He said, ‘People will be better off under the GST.’ They are worse off. He said, ‘It will be good for the economy.’ But it is not good for the economy.

We heard the Treasurer wax on before about what had happened under Labor. I will tell you what has happened under the Liberals since they have had economic carriage of this country. The dollar has slumped from close to 79c to near 50c and, even with that huge drop, we still had a drop in exports today in the terms of trade figures that came out. Even with the dollar dropping dramatically like that, they still cannot get exports up, and foreign debt is at record high levels. This from a government that promised to end the debt truck—the truck it had running around the country. It has hidden it away, because it has been embarrassed through its economic incompetence. Today is a capitulation and a humiliation for the Treasurer of this country. He has been forced to roll over. He has been forced to adopt Labor’s rollback.

Debate interrupted.

True Meaning of Success

Mr QUICK (Franklin) (5.30 p.m.)—Everywhere you look, whether it is screaming at you on the various television channels we have available to us, whether it is on the numerous radio stations, both AM and FM, that we have, whether it is in glossy magazines or in the constant supply of junk mail throwaways inserted in our letter boxes or jumping out at us from departmental store windows, the emphasis in our society is on consumption and its veiled association with one’s success in life. By definition, success means, ‘Favourable outcome or accomplishment of what was aimed for; a thing that turns out well.’ Every day in every way we face potential success or failure. As the world appears to speed up around us and as we face the stress of modern communications and the call of deadlines, it is easy to imagine that
we are losing touch with our own personal success. Our tendency is to notice what we have not done or what we think needs doing. I am sure that those of us who work in this place are constantly reminded of that, as the pressures here and in our electorate offices are constantly there, ensuring that we have our nose to the grindstone 24 hours a day, seven days a week.

As the middle class disappears and as we face the reality of a two-class system that involves the rich and the poor, and as people find themselves facing the challenge of meeting financial commitments, it is very easy for people to feel that they are not achieving anything. I would like to ask all those listening and all those who might read this speech to take a couple of minutes to reflect upon their own circumstances. There is every possibility that you are not giving yourself the true credit that you deserve for keeping pace with the ever demanding lifestyle of the year 2001. There is every possibility that you miss your own personal success because your self-judgment is too harsh. Success is always relative to our individual circumstances. Any changes that are thrust upon us should make us re-evaluate our own standards of success. Society’s values, which we impose upon ourselves, often leave us feeling that we are anything but successful.

In this our Centenary of Federation year, as we review what has happened in the past and as we contemplate possible future directions for our nation, for our state, for ourselves and for our families, I would ask each and every one of you to consider your achievements realistically. There are many in our society that are struggling financially. For those people, every month that you pay your bills—and in my state of Tasmania that includes your Aurora bill, your Housing Division bill, your bank loan, your housing loan, your school fees—every time that you pay your bills, you are a success. Every day you should appreciate just being alive. Every time you feel love for your family members and your close friends represents real success. Every time you are kind to yourself, you are successful.

Ballarat Electorate: Australian Ex-Prisoners of War Memorial

Mr RONALDSON (Ballarat) (5.34 p.m.)—I hope that anyone who might be listening to this broadcast has a pen handy—in a couple of minutes time I will ask them to jot a number down. Before I do that, there is another number I want to mention, a number which should be permanently etched into our minds: 34,737. That represents the number of Australian men and women who have been incarcerated in POW camps during Australia’s history of fighting oppression worldwide—34,737. If my memory serves me correctly, some 8,000 of those Australians died while they were prisoners of war.

Ballarat is building a $1.9 million memorial of national significance to these people. It will be called the Australian Ex-Prisoners of War Memorial, and there is a huge appeal for it going on at the moment. Federal and state governments have each made a contribution of $50,000, and a special act of parliament passed through here last year enabling tax deductibility for the project. But those who are organising it desperately need assistance.

I do not think that there is any group of Australians who have paid a greater price for being Australians and for defending not only this fantastic country but other countries throughout the world. I am sure that all honourable members would be acutely aware of the living conditions and the state of deprivation of the camps, all of which has been very clearly articulated in film, in books and in other written material. They were an extraordinary group of Australians, yet there is no memorial in Australia where the names of these 34,737 Australians are written, on which their names will be forever remembered. But they will be honoured in such a way on this very large memorial, this $1.9 million memorial.

But they are having trouble raising the funds, and I plead with honourable members, with those who might be listening to this broadcast and with those who regularly get Hansard, to assist. The phone number to ring if you can assist is: 03 5341 3364. Saying
that is probably totally out of order, but I am very passionate about this and I am sure honourable members would be equally so. The number again is: 03 5341 3364—and I am grateful to the member for Fowler who is very much nodding her head in agreement on this matter. That is the phone number for raffle tickets. They are $50 each. There are fantastic prizes—$350,000 worth of prizes. There is a Cessna 172 Skyhawk—

Mrs Irwin—It is not a Liberal Party fundraiser?

Mr RONALDSON—I can assure you it is not. The tickets would be $3.50 if it were a Liberal Party fundraiser. You are quite right. Or you could win a Winnebago super escape package motor home and a Range Rover, or a custom made houseboat. And if you get a book of tickets and you sell the winning ticket you will get a $20,000 travel voucher or family car. I suppose in some respects there might be some people who would say, ‘This is a memorial to a group of Australians, 34,737 Australians, and is it appropriate to have a raffle?’ I think the clear answer to that is yes—in fact, a resounding yes. Because if we, as the Australian people, do not as a community make sure that this $1.9 million is raised then a lot of ageing Australians, ex-prisoners of war, who desperately want to see this built will be desperately disappointed. I think a lot of families will feel likewise. Details are available from the Ballarat RSL. On a purely bipartisan basis—and I am sure my colleagues will accept this—and, indeed, all Australians—to assist in making sure this dream becomes a reality.

Drugs: Strategies

Mrs IRWIN (Fowler) (5.39 p.m.)—The pain and suffering of parents and friends, the decline of community safety and the waste of young lives because of heroin calls for greater effort by this government. I am angry about this. The Howard government views this terrible social blight purely as a supply-side issue. It is not. If you watched the ABC’s *Foreign Correspondent* report last night about the heroin traffic out of Afghanistan, you would have seen how the war on drugs is being fought against a desperate and determined foe called human misery. The endless stream of refugees are its soldiers—millions of them. This government uses glib lines like ‘zero tolerance’ as some sort of mission with Tough on Drugs as its mission statement—anything to settle the shareholders, the citizens of Australia because, let’s face it, only about a thousand deaths a year are caused by recklessly putting a needle in your arm.

Tragic that may be to a lot of us, there are huge consequences facing us all when anyone tries heroin. Becoming addicted is too easy, while getting clean is mostly a 10- or 15-year stretch in hell. Crime comes with an addiction to an illegal and expensive drug, and we all pay—the old, the vulnerable, the young. Their homes, schools, businesses, even the local ambulance station, get burgled by desperate addicts looking for money or portable goods. The government’s strategy is not working. The world is trying to look after the supply side, and it is failing. What the government’s Tough on Drugs prospectus offered—fewer deaths, less crime—has not been delivered. The ‘Just say no to drugs’ promotion was decidedly unhelpful, by exposing a double standard, without any qualifications at all.

Front-line drug workers around Cabramatta are increasingly dealing with interstate and international visitors as well as the out-of-towners. Fairfield’s mayor, Bob Watkins, wants to know why so many of his council’s resources should be put into this otherwise wonderful suburban shopping centre for people who are not residents there. The mayor launched the city’s new drug policy only last week. This document was the result of consultation. It was based on the New South Wales drug summit format. They went out and got the views of people, because they knew the answer is not a glossy brochure or glib PR lines. The government does not know this; to them it is more an overhead, like shoplifting in a retail chain.
Labor is very different. Kim Beazley’s plan to tackle Australia’s drug problem is spectacularly normal. It is not a political agenda, it is not there for propaganda; it is aiming at the right mix of solutions to fix the worst of the problem, repair the damage and try to reduce the spreading of the stain. These are difficult goals, but we cannot turn our backs on them. Cooperation is essential. Mayor Bob Watkins—who, incidentally, loves Cabramatta and, like me, is deeply hurt that such a wonderful place should have such a problem visited on it—and the council are in the difficult position of defending the focus of their policy, because it is all about the local community, rather than fixing up the drug problem absolutely for all of us for all time.

Kim Beazley and Labor want to get all tiers of government involved. We will be establishing the community safety zones. There will be partnerships between the community, local government, state government and federal government. We will be working smarter on the ground, on fixing problems no matter how small with the best information, properly coordinated. That is what is missing from the present government’s approach. We want local solutions and will be giving these communities the resources they need to achieve the best solutions across the board. That is only a small part of Labor’s policy, but it is one that says to Fairfield City Council, to the residents, to the New South Wales police, to youth workers, to all the locals: you are going to get some help from a federal Labor government. We know it is the Howard government which has been unwilling to take any responsibility for what has unfairly become your problem rather than a problem that we as Australians should all lend a hand to fix.

**Forde Electorate: Community Contribution Awards**

*Mrs ELSON (Forde) (5.43 p.m.)—* It is very appropriate and an excellent coincidence that our nation celebrates its Centenary of Federation in the same year that has been declared the International Year of Volunteers. There is so much of the Australian spirit, of what has built this nation, that is bound up in the notions of community service and volunteerism. We have established the wonderful tradition in Forde of especially recognising and thanking many of our hardworking community volunteers each year. It was my very great honour to join with residents across my electorate to celebrate at various local ceremonies this year. I want to take the time today in our parliament to formally recognise some of the many local award recipients. Unfortunately, I do not have the time in this debate to detail every aspect of their community service, but I want them to know that the community greatly appreciates and values their very hard work.

You could not get a finer example of community spirit than that shown by the Beaudesert shire Citizen of the Year, Mr Pat Aldridge. Pat is a retired school principal who has devoted many years to working in executive positions in local community groups, including the National Seniors Association, the Queensland Cancer Fund Association, St Mary’s Care and Concern, St Vincent de Paul and the National Civic Council. Pat has also been a Rotarian since 1957, raising thousands of dollars working Rotary’s catering van at many community events.

I also want to personally thank Queensland Parks and Wildlife Service ranger Will Buch from Tamborine Mountain, who won the outstanding achievement award for his tireless work in improving our environment and helping our local young people. The junior cultural award went to Christopher Duncan, aged 16, of Canungra. The senior sports award went to inspirational silver medallist in wheelchair rugby union at the Paralympic Games, Patrick Ryan, aged 19, of Buccan in my electorate. Congratulations go also to David Kemp of Jimboomba, who won the sports administrator award, and to the junior sports award recipients—two brilliant, bright young people—Rachael Reid of Beaudesert and Murray Hopley of Canungra.

In the nearby shire of Boonah some very special people were also recognised with awards. Neville Farrar of Kalbar was named...
citizen of the year for 30 years active service through the auxiliary fire brigade in Kalbar. He is a major supporter of all community events in that area. Both personally and through his engineering business, Neville has helped many local residents in times of need. Senior citizens of the year were Charles and Olive Falkenhagen, who work for many local community organisations and have almost single-handedly kept the Templin historical village operating since it lost its manager last year. These people are in their 90s, so I think it is a great achievement.

Young citizen of the year was Glen Gatehouse, whose list of community involvement is simply too long to mention. Congratulations go to the sports award recipients as well: Richard Collyer, who won the sports administrator award; Rod Travis, who won the senior sports award; and Stacey Harvey, who won the junior award. They all make great contributions to our shire in the area of sports. A special mention also to Joie Dwyer, who won the Australia Day cultural award for her many years as chairman of the regional arts development fund committee. Joie has served the community for over 20 years as a local councillor and been active in numerous community groups. She is, in every sense, Boonah shire’s living legend. I would also like to take this opportunity to congratulate Lynne Lewis of Bannockburn, who was recognised by Logan City Council for her contribution to netball in Logan city and her many years of fundraising for Shailer Park netball association. There are so many other Logan city and Gold Coast city award recipients whom I will have to leave mentioning until a later time because time is running out.

I have been extremely proud over the last five years to recognise the hard work and selfless effort of many local residents through the Forde community contribution awards. I established these awards as a way to say thank you to these special people who truly do give our community its heart and soul. In this very special year, as we celebrate both the Centenary of Federation and formally recognise the value of volunteers, I want to take every opportunity possible to highlight and thank our local quiet achievers. I want to again take this opportunity to congratulate, on behalf of the Australian parliament, this year’s local recipients of awards. I am sure all honourable members of this House will join me in doing so. (Time expired)

Fuel Excise

Mr MARTIN FERGUSON (Batman) (5.48 p.m.)—I rise this evening to talk about the latest betrayal of the Australian community by the Howard government—that is, the latest fuel rip-off by the Howard government. This new rip-off, I suggest, should not be lost in the afterglow of the Howard government’s rollover on fuel excise, a rollover that would not have happened without two things: firstly, without the Labor Party putting the betrayal under the microscope over the last six months and, secondly, without the Australian community wringing it out of the government at the ballot box in Queensland and Western Australia.

I might say that the Australian community is not yet finished with the Howard government. The latest fuel rip-off, which I put the minister on notice about yesterday, comes directly into the spotlight—it is the aviation fuel excise tax grab by the Minister for Transport and Regional Services and Deputy Prime Minister. The Howard government introduced location specific pricing for safety services provided by Airservices Australia. They are control tower, air traffic control and maintenance functions. With the actual cost of providing the services being charged at the location, the inevitable consequence occurred—it resulted in severe pressure on regional aviation services.

We saw major reductions in charges at capital city airports—those where there is high throughput, large volume and lots of international flights. The losers, regional and general aviation airports, were facing a huge increase in charges. Again, the Howard government did not think through the impact of their policy on regional Australia and services. Again, they were driven into a policy correction because of yet another tax grab by them. That correction came in the May 1999
budget when the transport minister imposed an extra 0.51c per litre on avgas and avtur. In the words from the budget paper, the transport minister, Mr Anderson, promised:

The total revenue to be raised through this measure would be used to help maintain air traffic control services at regional and general aviation airports.

In that budget the revenue was estimated at $11.4 million. You would think that would mean Airservices would get $11.4 million in that year from that levy. So an obvious, undeniable rip-off occurred on paper of $400,000 in 1999-2000. But when you do a simple calculation of what the industry might have paid that year, further question marks arise over the extent of the tax grab.

In 1999-2000, a total of 5,126.1 megalitres of avgas and avtur were sold in Australia. A simple multiplication of total aviation fuel sold times the levy of 0.51c per litre shows a figure of $26.1 million. If that is what was actually raised in 1999-2000 from avgas and avtur—and the minister has promised the total amount to Airservices for towers—the rip-off is of the order of $15 million. The figures get worse in 2000-01. In that year the excise did not change—it stayed at 0.51c per litre and the promise was the same—but the minister only gave Airservices $7 million this year towards the promised purpose. That appears to be a rip-off of $19 million.

I gave the Minister for Transport and Regional Services an opportunity to explain this yesterday, and today he came into the House and fessed up. He admitted that he had raised more than he thought. He admitted that he has been sitting on a tax grab of major proportions. The issue is whether or not the minister came into the House today and said, ‘I admit it. Here is the money back.’ No, he has flicked it off, yet again, to the budget processes. I also suggest to the House that the Australian taxpayer and the aviation industry know that it is code for, ‘It has gone to consolidated revenue—into the Treasurer’s kitty.’ Given the marathon campaign to extract the petrol excise rip-off from the Prime Minister and the Treasurer, we know that getting that money back out of the Howard government’s kitty is going to be no mean feat.

But I say tonight that we will continue our campaign to ensure that the transport minister keeps his promise. We will work with the aviation industry to ensure that the rip-off ceases. The minister said that the total revenue to be raised through this measure would be used to help maintain air traffic control services at regional and general aviation airports. We will campaign with the industry to ensure it. The Australian people are sick and tired of the Howard government’s fuel tax rip-offs. The Australian aviation industry cannot afford to fund the Deputy Prime Minister’s tax grab. In essence, the Australian public are sick of the Howard government’s deceitful lies. (Time expired)

Mr Lloyd—Withdraw!

Mr ACTING SPEAKER—I think the member for Batman should withdraw.

Mr Martin Ferguson—it was the Howard government, not an individual, Mr Deputy Speaker—‘deceitful lies’ and ‘tax rip-offs’. No individual is named.

Mr ACTING SPEAKER—I hear what the honourable member says, but the House practice is that it can apply to individuals in that way. We have had many examples on both sides of it being withdrawn. For the convenience of the House, I ask the member to withdraw.

Mr Martin Ferguson—I withdraw and suggest that the Howard government misled the Australian people about this tax incentive.

Mr ACTING SPEAKER—Without qualification. I thank the honourable member.

Ms Gambaro—I object to the assertions made by the honourable member opposite. He is implying that all members of the Howard government lie.

Mr ACTING SPEAKER—He has withdrawn.
Central Coast: Suicide

Mr LLOYD (Robertson) (5.54 p.m.)—In the 90-second statement debate this week I mentioned some constituents in the electorate of Robertson who were awarded Order of Australia medals, including Pastor Eric Trezise. Tonight I want to elaborate on some of the great work that Eric and many people on the Central Coast are doing in the area of suicide. It is an area of great concern to all members and to all members of the Australian community. I believe that the Central Coast is leading the way in what should be done to tackle this very difficult issue.

Three years ago the Central Coast initiated the first community forum on suicide. We set up the Suicide Safety Network. In the first three years of that operation we managed to gather together over 200 government and non-government organisations, all concentrating particularly on the efforts to reduce the youth suicide figure on the Central Coast. The New South Wales state government, to its credit, put some money into it. The federal government took some very significant national initiatives, such as additional funding for Lifeline and a kids help line. This has had a great effect on the number of youth suicides on the Central Coast. The outcome over the past three years has been quite heartening. It has stemmed the rising tide from a high of nine in one year in our area to last year having no recording of a youth suicide of anyone under 20. So it shows that what they are doing on the Central Coast is working.

I also want to raise the issue of the suicide of men aged 25 to 44. It does not receive the attention that youth suicide does because of the emotive nature of young people taking their lives but, in fact, this growth area of suicide is a matter of great concern. It is something that has been going on for some time and it is creating serious concern on the Central Coast. Current statistics reveal that 31 of the 34 suicides to October 2000 were males—a ratio of 10 to one—and 19 of those 31 males were aged between 25 and 44. This rise is also reflected nationally. It is not a new phenomenon. Over the past 20 years, the suicide rate of males aged 25 to 44 has risen by 44 per cent. It is something that needs to be addressed by all state governments as well as the federal government.

In 1999, a men’s phone-in forum was conducted on the Central Coast, with the assistance of many of the supporting agencies, to give men an opportunity to talk to men about the issues that were causing them great concern. Fifty-seven of the 100 callers were aged between 25 and 44. Their major concerns were legal and family law, divorce and separation, denial of access to children, financial problems, mental health, health problems generally, work and unemployment, relationship difficulties, drugs and alcohol, and a pervading sense of despair. Men in that age group have tremendous pressures placed upon them. In many households they are perceived to be the breadwinner, the head of the household. In many cases they have young children and partners. Many of them are going through relationship difficulties, divorces and lack of access to their children. This places tremendous stress on them.

The federal government has established a national advisory council on suicide prevention. I know that Pastor Eric Trezise and his organisation, the Central Coast Suicide Safety Network, would be very keen to work with the federal government and the state government to duplicate in some ways what has been done to tackle youth suicide. I appeal to the federal Minister for Health and Aged Care, Dr Wooldridge, to take a greater interest in this very serious problem. I know that he is concerned. He is aware of the issue. I believe that we need to have a national strategy to look particularly at the suicide of men aged 25 to 44. We have tackled the youth suicide problem—it is something we cannot let go of—and we have had great success there. I believe that if we implement a similar strategy, using people such as Eric Trezise and the Suicide Safety Network, we can make an impact. (Time expired)

Queensland: Health System

Ms GAMBARO (Petrie) (5.59 p.m.)—I rise to speak tonight on the state of health in the Queensland health department. There is
not a day that goes by when I do not receive letters from numerous numbers of constituents about the appalling state of the hospital system in Queensland.

Mr ACTING SPEAKER—Order! It being 6.00 p.m., the debate is interrupted.

House adjourned at 6.00 p.m.
Mr DEPUTY SPEAKER (Mr Jenkins) took the chair at 9.50 a.m.

STATEMENTS BY MEMBERS

Charlton Electorate: Petition on Bulk-Billing

Ms HOARE (Charlton) (9.50 a.m.)—I present this petition to the honourable Speaker and members of the House of Representatives assembled in parliament. This petition from 476 citizens of Australia draws to the attention of the House the lack of bulk-billing general practitioners in the Lake Macquarie area, particularly in the Morisset, Cooranbong and Dora Creek areas. This situation disadvantages aged pensioners, low income earners and the unemployed who cannot afford an up-front payment for medical services. Your petitioners therefore ask the House to increase the Medicare rebate for doctors’ services and to provide other incentives to encourage general practitioners to bulk-bill.

Just this week, the Minister for Health and Aged Care claimed that bulk-billing rates were at an historically high level. My constituents, who are rallying around centres in my electorate, know that the number of GPs who no longer bulk-bill has increased. The crisis in bulk-billing has been forced on our communities by this government’s total failure to support Medicare. The Prime Minister is ideologically opposed to a universal, good quality public health system for all Australians. Three million fewer services bulk-bill than did in 1996, and half of that decline has taken place during the last six months. So far I have attended rallies in support of the retention of bulk-billing in my electorate at Boolaroo and Morisset. At Morisset, residents, with placards waving and horns beeping, rallied against medical services which recently stopped bulk-billing patients—including some of those most disadvantaged people in our community.

Yesterday, the Minister for Employment, Workplace Relations and Small Business was crowing because the government was supporting a miserly $10 a week pay rise for low income earners. For my low income constituents, that $10 disappears when their child has a cold or needs to be immunised. In Boolaroo, the residents were rallying against not only the decline in bulk-billing but also the withdrawal from the town of the only medical practice. The reason given for the withdrawal was that it was a commercial decision and if banks can get away with withdrawing their services to communities then why shouldn’t doctors. It is not comforting for these communities to know that commercial considerations outweigh social considerations in what used to be a caring profession.

I understand that Don Whiteman, an elderly pensioner in his 80s, has organised another rally to take place in Boolaroo today at 2 p.m. I would like to let Don and all the residents of Boolaroo know that even though I cannot be with them today I am with them in thought, united in the common cause. Labor supports Medicare and is committed to rebuilding and strengthening it. Labor will also support incentive packages that are effective in encouraging doctors and other crucial health professionals to relocate and remain in rural and regional Australia. I present the petition to the Clerk.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! The petition will be received, subject to the requirements of the standing orders having been met.

New England Electorate: Cargill Abattoir

Mr St CLAIR (New England) (9.53 a.m.)—I rise today to again bring good news regarding the meat industry in my electorate of New England. On Monday I had the pleasure of attending the opening of the extensions to Cargill’s abattoir in Tamworth. The meat industry in the New England area is and has been a very important and integral part of the agricultural industry and it is tremendous to see Cargill Foods Australia making a further commitment to the
representatives, to Australia and to the beef industry. These extensions to the abattoir will provide hundreds of extra jobs. It is all about bringing development and seeing the changes that have taken place in the meat slaughtering industry starting to pay dividends.

The abattoir in my own town of Guyra, which existed for many years, was closed some six or seven years ago, and I think there was a feeling generally that abattoirs were going to withdraw from the New England region. We now have two major abattoirs, one at Inverell and one at Tamworth. Cargill’s commitment has been good, and I congratulate John Keating, the business unit leader of Cargill Foods Australia, who, together with the Woolworths business manager, made the development possible. Woolworths is a major client of Cargill Foods and a major player within the meat industry in Australia, particularly throughout the New England area. It was also good to meet and to listen to Bill Buckner, the president of the Cargill meat division in the United States, who was able to be at that particular opening and to see what is happening.

The meat industry in New England is vitally important and, on 24 March, we are going to be able to open a brand-new sheepmeat abattoir in Tamworth. That will provide a further 130 jobs. I often get a bit distressed when I read in the national media about everyone leaving the bush and that nothing is happening. Well, in New England it is happening in the meat industry. Employment opportunities are being provided and will continue to be provided.

One of the reasons for Cargill’s commitment and the improvement within the meat industry is the fact that we do have inflation under control, and that is absolutely important. We do have interest rates under control and, at the moment, a dollar that is producing results for Australian exporters that were quite unheard of before. We are seeing a tremendous increase in the volume of meat exports around the world, and it is companies like Cargill, Bindaree Beef and Jacksons that are, we believe, going to provide the lifeblood for New England. (Time expired)

Election: Western Australia

Mr WILKIE (Swan) (9.56 a.m.)—If we have moved from good news, we are going now to great news. I speak, of course, about the Western Australian state election result. I would like to take this opportunity to congratulate my home state of Western Australia on electing a new Labor government and also to issue a warning to the Prime Minister that the people of Australia are sick of his party’s obsession with mean-spirited and contradictory policy. This can be seen in their attitude to reconciliation, petrol pricing and the issues concerning the BAS.

The Western Australian election of 2001 was remarkable. The election saw the routing of a second-term coalition government as Labor successfully won a record number of seats. The Labor Party needed an increase of at least 11 seats, a feat not achieved since the Labor victory of 1911 in which the party secured 12 additional seats under Jack Scadden to oust Frank Wilson’s government. We achieved that and more. The WA election was held on 10 February 2001, and the reticence of the former Liberal leader to call an election was because he obviously wanted to distance himself from the trouble that he and his ministers had been involved with during his reign.

Court’s weak leadership was most spectacularly highlighted by the finance broking deal which exposed the involvement of two senior ministers within the former coalition government and his brother. His problems continued and ended finally with the discovery that one of his backbenchers had failed to declare his interest in a steel project that he was promoting in his electorate. The state election was the first occasion on which the Court government had to stand on its own credentials rather than appeal to the memories of an electorate that had been hostile to the past. He failed. Geoff Gallop strongly led the party to success, with the Labor Party winning 34 of the 57 seats in the Legislative Assembly and increasing its representation on the Legislative Council by two seats. Geoff Gallop’s policies are fair and accommodating.
The new Gallop government has an agenda for change. It intends to streamline the ministry, improve accountability and focus on the people of Western Australia and what is important to them and their families.

The state government has undertaken to make health, education and training, law and order, fairness in the workplace, and the special needs of regional Western Australia all key priorities. Labor will restore public faith in Western Australia’s political processes and public institutions and will lead by example to improve the quality of the state’s political life.

To achieve this, Labor will: implement a ministerial code of conduct, as a matter of priority, for the incoming Labor government; ensure that the ministerial code of conduct meets the highest standards of accountability, including the fundamental principles established by the Commission on Government; prepare a code of conduct for MPs to be put before parliament in the first session; and overhaul the processes involved in government travel to make them more transparent and accountable.

I have the highest confidence that Geoff has the leadership skills and the ability to lead and implement these reforms in government. While state issues figured as a primary concern in the state electoral campaigns, electors have shown that they are not averse to expressing their displeasure on issues for which state governments are not responsible. This is something the Prime Minister needs to take heed of when the next federal election is coming up. If the elections of Western Australia and Queensland are mirrored in the federal election, Labor will once again be successful. (Time expired)

Murray Electorate: Kyabram

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.59 a.m.)—An important political movement flourished 100 years ago, stimulated by the new Federation of Australia. The movement began with four prominent residents of Kyabram, and it is now generally acknowledged that the movement was a forerunner to the formation of the coalition parties of today. As I say, the movement began in Kyabram, a town 200 kilometres north of Melbourne, in the heart of the electorate of Murray. In particular, those residents were fighting for a stronger democracy and they were concerned with their motto ‘Retrenchment, reform and prosperity’.

Mr DEPUTY SPEAKER (Mr Jenkins)—Order! In accordance with standing order 275A, the time for members’ statements has concluded.

VETERANS’ AFFAIRS LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Debate resumed from 30 November 2000, on motion by Mr Bruce Scott:

That the bill be now read a second time.

Mr EDWARDS (Cowan) (10.00 a.m.)—The Australian Labor Party supports the Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000. It is largely a technical and housekeeping bill; however, speaking in support of this bill gives me the opportunity to talk about a number of other issues which are related to veterans and some of the problems they are confronted with.

Last year, I raised the issue of the plight of some veterans who have taken out private insurance which contains a coverage for permanent disability. When these veterans are granted the status of TPI under the Department of Veterans’ Affairs they feel that they have an entitlement under their private insurance provisions for a payout. Many veterans, despite having gone through the hoops and faced very difficult and demanding assessments to become TPIs, find that their private insurance companies knock them back and want them to go out to work, either in different employment to that which they have had or in some other way.
I raised the issue of the plight of these veterans because I was particularly concerned about the activities of a couple of doctors who seemed to me to be well and truly in the pockets of an insurance company. These doctors were giving these veterans, particularly those suffering post-traumatic stress disorder, an incredibly hard time. I am pleased to say that, following the raising of that issue last year, I have had a response from the Superannuation Complaints Tribunal. As part of that response, Graham McDonald says in his letter:

Your speech of 27 November last year in relation to superannuation total and permanent disability (TPD) claims with the claimant a Veteran has been drawn to my attention. In recent times, other Parliamentarians (from both sides of the House) have contacted me raising similar issues.

He continues:

From the Tribunal’s point of view, we do take into account determinations made under the Veterans’ Entitlement Act and in particular whether a Veteran is receiving a special rate pension in our determinations as to whether or not the claimant is TPD. A determination made under the terms of the Veterans’ Entitlement Act is and cannot be determinative of a TPD claim because the TPD claims must be assessed in relation to the definition contained in the particular Trust Deed and/or Insurance Policy.

He goes on to say:

I have also contacted the Insurer mentioned in your speech. The Insurer was apparently unaware of your comments and was unaware of approaches made to the Tribunal by other Members of the Federal Parliament on behalf of Veteran claimants who had appeals on similar issues before the Tribunal.

This is the only area where I take issue with the Superannuation Complaints Tribunal because my speech was faxed to the particular insurance company and they were made aware of it. However, the writer goes on to say:

The Insurer has given me an undertaking to conduct an urgent review of such cases and co-operate in expediting these to a conclusion. I have raised the issue of the use of the Doctor ... named by you as well as another Doctor on the east coast used by the same Insurer who has an equally firm view as to the PTSD condition.

His concluding paragraph says:

If you are aware of Veterans experiencing difficulty on this or any other issue before the Tribunal, I am, of course, happy to talk to you about how we can best adapt our procedures to assist in the early resolution of their cases.

I was very pleased to receive that response from the Superannuation Complaints Tribunal and I was very pleased to know that other members of parliament, from both sides of the House, had taken this particular issue up. I was able to give Mr McDonald a list of veterans who I am aware are having difficulties with the industry and he has undertaken to see if they can be addressed as a matter of priority. However, I was very disappointed in the efforts of the Minister for Veterans’ Affairs when he was contacted by the Hon. John Moore, the recently retired Minister for Defence, about a similar issue. All the Minister for Veterans’ Affairs did was to write back to the minister about this particular constituent and, among other things, say:

... the role of an insurer is to provide protection against unexpected losses, it has a responsibility to its share-holders to minimise the company’s financial liability.

Fair enough, but I really would have thought that the minister with responsibility for veterans in this nation could have done a bit more than just write, in those terms, to the member who was raising issues of concern about his constituent. After all, if I as a backbencher could take the steps that I have taken and if other members of parliament can take the steps that they have taken in order to address these issues of concern to their constituents—veterans—surely the minister could have done a bit more and, surely, his position would have lent greater weight to the sorts of submissions that other members of parliament have been making on behalf of their veterans.
Hopefully, now that this issue has been raised it will be better dealt with by the insurance companies. I certainly hope so because these veterans are veterans who are often dealing with post-traumatic stress disorders. The attitude of some of the doctors that they are forced to see for the insurance industry is not helpful to their position; it is not considerate of their position and it is not sympathetic to their position. Indeed, the veterans that I have spoken to have come away most upset at the confrontation they had to go through. I am pleased that the Superannuation Complaints Tribunal has addressed this issue and I want to record my thanks for the way they have done that.

I also want to raise an issue that was recently raised with me by the Vietnam Veterans’ Federation. I intend to quote in whole a letter which they have sent to me, because the committee will then see that it is not me—a member of the Labor Party—saying these things but a veteran group that has a tremendous record of work and support of veterans who are making this claim for assistance. The letter is under the heading of “Tertiary scholarships for children of impecunious Vietnam veterans”:

There seems at this time to be a large number of the children of Vietnam veterans in or about to enter tertiary education. Many of the veteran parents, because of their war caused illnesses, are unable to financially assist. And whilst such tertiary students are eligible for youth allowance or VCES, this does not cover all necessary expenses such as compulsory university administration and sports fees and text books and rent for those living away from home.

The Vietnam Veterans Federation selects some eight students each year for the George Quincey and Peter McCullagh scholarships. For the academic year 2000 we received over one hundred applications. For the academic year 2001 we received over fifty. Nearly all applications fitted our selection criteria of financial need and academic merit. But our limited funds meant that we ended up comparing only those students having to study a long way from home with TPI fathers with little or no other income. Even then, many of these obviously needy students missed out.

Take for instance the daughter of a TPI pensioner (whose name we can provide) who served one tour in the Malayan Emergency and three tours as a door gunner in Vietnam where he won the DFM. He lives in rural NSW. His daughter is in her third year of a Bachelor of Music/ Bachelor of Education degree at Newcastle University. The veteran’s daughter gets no help from home as not only is her father incapacitated but her mother must stay home to look after him. Of course, she gets a VCES allowance but this is simply not enough to cover her living expenses plus rent plus her compulsory university administration and sports plus necessary books. It certainly does not cover the cost of a second hand piano and computer she desperately needs for her third year studies. She works part time during University holidays to help pay her way but even then she is struggling. For her, part-time work during the term is not possible with her double degree study demands.

We would have very much liked to award the girl a $3,000 scholarship, but such was the quality of other applications that we could not. After juggling our funds we found $1,000 to grant towards her special need of a 2nd hand piano and computer but we are aware this will be insufficient for both.

Our inability to properly help this girl and others like her is heartbreaking. It seems we are going through a period of high need for these scholarships. But as the youngest Vietnam veteran is in his early 50s, the high need is likely to last no more than another five years or so. But whilst that high need exists, the difference between many capable children going on to tertiary education or having to forgo it, is their getting the additional financial support our scholarships give them.

We appreciate that the George Quincey and Peter McCullagh scholarships are not the only ones available to the children of Vietnam veterans. We know that the Vietnam Veteran Trust administers some 30 of its own and 10 of our Long Tan scholarships. But the Trust has found itself similarly overwhelmed. This year they received some two hundred applications, most applicants suffering financial need and having academic merit.

And there is a crisis looming.

This is the last year applications will be accepted for the 30 Trust scholarships. That loss will mean thirty more deserving, perhaps desperate, applicants must be rejected.
WE HAVE ADVISED other veterans’ organizations of the deficiency in scholarships and perhaps their efforts will produce a few more. But the present gaping chasm between need and availability plus the loss of the 30 Trust scholarships cannot be bridged by the veteran community.

As you will be aware from the results of the Vietnam Veterans Health Study, the children of Vietnam veterans have suffered a great deal because their fathers fought in the Vietnam war.

We ask that you consider further helping ameliorate the damage done to veterans’ children by replacing the 30 Trust scholarships with an added 30 Long Tan scholarships (though in the form of the Trust scholarships) and adding a further 30 to meet the present need.

That letter has gone to the minister. I have taken the opportunity to quote from it here because I know that the minister sometimes takes a very, very long time to respond to veterans and to associations like these. I understand, however, that in the last few months the minister has been able to respond to these veterans a bit more quickly than has been the case in the past. I would certainly encourage him to look at this issue. It does not seem to me that they are asking for a heck of a lot. I know that the minister has the funds, and I certainly hope that he will make them available fairly soon.

The plight of many TPI veterans across Australia has caused much anxiety within the veteran community. Members may recall that I raised the issue of the T&PI Association passing a vote of no confidence in the minister and in the then national president of the T&PI—such was their anger and such was their view that their plight was being ignored, not only by the then association but by the government. There are many veterans, as was pointed out in the letter that I have just read, who are in dire financial straits because they have become incapacitated as a result of their war service. Many of these veterans have children, some of whom are still in primary school, and their needs are not being met.

I believe that we have a responsibility to do the right thing by these veterans. I do not think any of them are asking for support that is in any way greedy or undeserving. As a parliament and as political parties, we must look at the needs of these veterans, because they are doing it pretty tough out there. Of course, they are doing it pretty tough for a whole range of reasons, not least of which is the impact of the GST. I often hear the Minister for Education, Training and Youth Affairs say that education is free of GST. That is rubbish. These veterans have a limited income capacity and they are feeling the full brunt of the impact of the GST. Many of them argue that, over recent years, the rate of payment for the TPI has fallen away, has diminished, in comparison with other earnings, and that their predicament has become much worse. I think there is a lot of validity in their arguments.

I received a letter this morning from Dave Howe, a TPI pensioner. He lives in the northern suburbs of Perth. He has written to the minister and he sent me a copy of the letter. I will read from that letter:

Dear Sir:

I would like to register my support for the National President of the TPI Association Mr John Ryan and his team for finally doing something for the veteran community. We have for years suffered in silence as our living standards have been eaten away by the T&PI compensation rate only being linked to the CPI. We feel at the very least we should be entitled to the living standards of the average Australian. We served this country gladly, only to be treated as second class citizens when we were injured. Unable to support our families our wives have had to go back to work, if they could. This has caused great hardship and in some cases family disintegration. How many young Australians would you get to join the services if you told the truth about how the injured serviceman is treated when of no further use to the defence department? Especially young servicemen who have not had a full working life to accumulate some sort of safety net i.e paid off the mortgage or have some kind of superannuation to fall back on. They are through no fault of their own sentenced to a lifetime of poverty and disappointment. No wonder many suicide because of the hopelessness of having to deal with their injuries as well as having failed their families. I hope good sense and reason will prevail and you will listen to Mr J. Ryan.

Yours Sincerely

Dave Howe

24850 MAIN COMMITTEE

Thursday, 1 March 2001
Dave Howe

The Mr Ryan referred to in the letter is the bloke who has recently taken over as the national president of the T&PI Association. He comes from Western Australia; he does this national job from Perth and he travels here when he needs to. I know that he was here recently to lobby the minister. I know that he had a meeting with the Prime Minister’s department and he took the opportunity to meet with Democrats and members of the ALP. I sincerely hope that the message that he has delivered to Canberra is getting through. As I said, a lot of these blokes are in a fairly disastrous financial situation and a lot of them feel that they have not been able to do the right thing by their families.

I do not want to spend too much time talking about a bill that, as I said, is fairly technical but fairly straightforward and one that is mainly housekeeping, but I do want to urge the minister to be a little more proactive. I know that, from time to time, when things are raised in parliament, he will eventually get around to looking at them. I raised the example of Clarrie Upton from Queensland, who is a TPI pensioner and whose child has a disability. The family needed a new wheelchair, they approached the minister’s department and they did not receive any help. The veteran community went out themselves and helped to fundraise, and they managed to get the family a wheelchair. I understand that since then the minister’s department has contacted this family and offered some help. I appreciate that. I think that is the right thing to do, but I simply wish the minister had been able to do that earlier. It may have resulted in the individual getting a better wheelchair and the family being able to do that without seemingly looking for charity. That is the striking thing about most of these veterans: they do not want charity; they simply want a fair go and to be able to provide for their families in the same way as many other families where the father and the mother can go out to work in order to assist with the family income.

In conclusion, I am becoming increasingly concerned at what appears to be a downsizing in the number of officers working with the Department of Veterans’ Affairs. I do not have any conclusive proof that this is happening, although I have a lot of anecdotal suggestions that it is. People from the department are contacting me and saying, ‘We are losing officers hand over fist. They are not being replaced. We are losing a lot of the memory, a lot of the intellectual knowledge and a lot of the history of the department as a number of officers who have been there for some time go.’ They say that, as the department loses these skills, the officers are just not able to provide the sort of service and the level of service that they feel they should be able to provide to the veteran community. This is something that I know the shadow minister, Chris Schacht, is aware of. I know he is concerned about it and that he will also be pursuing this issue. It just seems to me that so many changes are happening to the service that is being provided to our veterans. It is not happening up front; it is not happening by way of honest and open accountable government; it is happening by stealth. I think that is the worse possible way we can treat our veteran community. I think they deserve better, and I think it is about time we started to give them better. As I said, the opposition supports this bill.

Mrs Vale (Hughes) (10.23 a.m.)—The purpose of the Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000 is to revise the criminal offence provisions in legislation administered by the Department of Veterans’ Affairs, with reference to chapter 2 of the Criminal Code Act 1995, which sets out criminal responsibility. Since 1995, a staggered program has been under way whereby the principles of criminal responsibility contained in chapter 2 of the code have been applied to all Commonwealth legislation dealing with criminal offences. From 1 January 1997, all new Commonwealth offences were covered; and, from 15 December 2001, the criminal code will apply to all pre-existing Commonwealth offences. Pursuant to the provisions of chapter 2 of the criminal code, the Commonwealth government departments have been assessing all existing offence provisions to ensure compatibility with the code. I fully support the application of the criminal code to the veterans’
affairs legislation, and consequently I support this bill. If I may borrow a little from the Department of Veterans’ Affairs’ vision statement, this bill will do the right thing the right way.

The amendments contained in this bill provide that chapter 2 will apply to all offence provisions in legislation administered by the Department of Veterans’ Affairs. These amendments will identify strict liability offences. They will clarify defences and fault elements and remove references to the Crimes Act ancillary provisions and replace them with references to equivalent provisions in the criminal code so that they will have the same operation as before. Legislation administered under the Department of Veterans’ Affairs includes the Defence Service Homes Act of 1918 and the Veterans’ Entitlements Act 1986. The Department of Veterans’ Affairs exists to serve Australia’s veterans, their war widows, widowers and dependants through programs of care, compassion, compensation and commemoration.

The department disburses large amounts of public money each year. In this year’s budget, around $290 million underpinned its services to the benefit of a large number of Australians. It is not just those who receive a service pension or disability health care who are affected. It also affects those who have lost past members of their families or other loved ones and who are comforted by visits to commemorative memorials that list the names amongst those who have given their lives in defence of our land, or by visits to war graves located in many distant lands.

This bill is needed in order to protect the tens of thousands of the veterans’ community who are recipients of benefits and who may be threatened by breakdowns in the integrity of the system caused by any offenders. I do not believe the scale of the benefit program is widely known and understood. Since 1996 more than 10,000 additional veterans have had their service recognised with eligibility for pensions and treatment benefits. More than 38,000 veterans have benefited from the government’s decision to extend treatment benefits to eligible World War II veterans over the age of 70. For these reasons it is very important that the legislation is administered correctly.

This bill will align a number of offence creating and related provisions with the general principles of criminal responsibility as codified in the criminal code. Prior to this act the problem had been recognised for almost a century. In 1897 Sir Samuel Griffiths, who had drafted the Queensland criminal code, called for a collected and explicit statement of the criminal law. In 1990 and 1991 there was a review of the criminal law that recommended a complete overhaul of the Crimes Act of 1914. At about the same time, state and territory governments were looking to reform their laws which had come to be regarded as too cumbersome, outdated, too numerous and unnecessarily complex. Consequently, all governments committed themselves to developing a model criminal code, and this national goal was achieved with the Criminal Code Act of 1995.

The amendments contained in this legislation have not been rushed and have been carefully weighed and considered. The time taken has been deliberately designed. Although the criminal code was a 1995 bill it did not take effect until 1 January 1997, as I mentioned earlier. The staggered implementation of the criminal code across the range of portfolios was designed to give officials and ministers sufficient time to assess the effect of the criminal code on their departments’ operations and to identify the necessary amendments.

The bill does not change the offence creating or related provisions of the veterans’ affairs legislation, which mirrored those contained in legislation administered by the Health and Aged Care portfolio and by the Family and Community Services portfolio. The bill will clarify important elements of offences, particularly fault elements. In dealing with criminal intention, existing laws have opted for abstract definitions. This provides a fertile ground for academics and lawyers. Hours of precious court time can be wasted in legal argument about the
meaning of particular fault elements or to what extent to which the prosecution should have the burden of proving those fault elements.

Under the existing law there are mixed or combined standards of objectivity and subjectivity. Objectivity requires fault to be determined on the basis of whether the defendant has realised, according to the ordinary standards of the reasonable person test, that what they were doing was wrong. Under the criminal code that will apply to this bill, a defendant’s guilt will depend on what he or she thought or intended at the time of the offence and not what a reasonable person would have thought or intended if they had been in the defendant’s shoes. In other words, for conduct the fault element is intention. The code provides for the fault element not only of intention but also of knowledge, recklessness and negligence. It does not prevent particular laws creating other fault elements. However, in harmonising the veterans’ affairs legislation with the code, the non-code fault element of wilfulness is eliminated, because it is considered to be an equivalent of intention and there should be no obligation on any future court to distinguish between the two. It is intended that these changes will lead to improvements in the efficiency and fairness of prosecutions. It is important that, if our laws are to allow us to efficiently and effectively deal with offenders, the laws be clear and certain in their terms.

Australia has the most generous repatriation system in the world with record funding for the veterans community in the year 2000 budget. I remind the House that in the budget there was a record $32.3 million package for the support of Vietnam veterans and their families to address the validated findings of the Vietnam veterans health study. Some $26.6 million was provided to extend full repatriation benefits to more than 2,600 Australian Defence Force personnel who served in South-East Asia between 1955 and 1975. Some personnel have had to wait up to 55 years for their entitlements, and I am sure that we all join in thanking them for their service and in according them our respect and gratitude for their patience.

There was the introduction of the veterans home care program, and also $17.2 million provided to extend the successful Their Service—Our Heritage commemorative program for a further four years. Some $6.8 million was provided to extend the residential care development scheme for another year, and there was a capital injection of $18.3 million over four years to further develop a database to capture health related data. In addition, income testing arrangements for residential aged care fees were simplified.

The amendments in this bill will allow the efficient application of the offence provisions of the veterans affairs legislation by harmonising the fault elements with the Criminal Code. By such application the amendments in this bill will provide a greater consistency and certainty in the prosecution of the criminal laws of the Commonwealth. I commend the bill to the House.

Ms JANN McFARLANE (Stirling) (10.32 a.m.)—I am pleased to be able to stand here in the Main Committee today to talk on the Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000 and on the amendments. I would like to particularly commend the government for continuing their program of harmonising, as the minister said in his second reading speech, ‘offence-creating and related provisions in Commonwealth legislation with the Criminal Code’. These amendments are helpful to the veterans community and individual veterans in that they protect veterans. If they have any kind of problem with the act or with the department, the provisions are now clear. As has been pointed out in the explanatory memorandum, the amendments will remove from the system those cases that often go on for many years to clarify the meaning of words and define words. This legislation is, in effect, to tidy up that and hence is to protect individual veterans and the veterans community.

In talking on this bill, I would like to take the opportunity to let the Main Committee know the respect in which the veterans community is held. It is their efforts and great sacrifice that
have allowed us to continue to live in one of the safest and most stable democracies in the world. Amongst my parliamentary duties I am secretary of a Labor social policy and community development committee which covers veterans issues. As part of that role I am chair of the working party on veterans issues, and I have had the responsibility of meeting with individual veterans and veterans organisations when they have come to Parliament House to meet us and talk to us about their concerns and how they think their lives are impinged on by government legislation and the services provided through the government budget.

The veterans community are happy that we do have, as a member pointed out earlier, one of the best veterans entitlements system in the world. However, as was also pointed out by a previous speaker, there are gaps. Our shadow minister, Chris Schacht, has gone around Australia consulting with veterans individually and with veterans organisations about their issues and concerns.

Among the concerns that have been raised, as has been pointed out by the member for Cowan, is the diminution in some of the levels of entitlement. Recently the T&PI Association and the Extreme Disablement Association came and met with the government and with the Labor Party and our working party. They are greatly concerned that compensation has not been kept at a reasonable level. Because the CPI as a benchmark is insufficient, their lifestyles are being diminished. Their concern is that members of parliament do not seem to listen to and hear what they are saying. However, in conversation with these vets it sometimes transpires that there are other, underlying concerns about the impact of the GST and things like rising petrol prices on their household budgets.

Other issues that have come forward from the veterans community and individual vets include a lack of rehabilitation when they were discharged from the defence forces after long periods of service or after active service. Some of the veterans have expressed a concern that the emphasis seems to be primarily on benefits and entitlements. What a lot of them now realise—of course, it is always in hindsight—is that rehabilitation services are the productive, helpful path to their rebuilding their lives after a long period in the defence forces, with the impacts on families and children of so much moving around, or after active service. Rehabilitation is the key to their coping with the results of their active service, for them to be restored as fully productive members of our community.

One of the concerns expressed to me—for me, like the member for Cowan, this is purely anecdotal—is the reduction of staff in the Department of Veterans’ Affairs. There is also a concern at the loss of senior, experienced people. The veterans community in Perth is small, because Western Australia has a much smaller population, and so these changes are noticed very quickly. People tend, when they go in to the department, to look for the familiar face, the familiar person. And when they go in there and find somebody who does not understand their background, their history or their case, it causes them concern and anxiety. More and more, the practical, on-the-ground impact of modern arrangements in government departments—redundancies, contract staff, casual or temporary or section 72 staff, whatever their status may be—is a loss of the familiar, a loss of the ability to go in and deal with people who actually know about you or know about the program, who know about all the different levels of entitlement and can be helpful to people trying to access what they need.

Local groups come into my electorate office and meet with me. Their emphasis is always on how their particular community is, how the people in their local area are coping and how they themselves try to provide services. The Perth RSL is not technically in my electorate but it services my electorate, receiving Department of Veterans’ Affairs funding to provide its welfare service. I would like to put it on the record that Pat and Allan, who have been at the Perth RSL for many years, run a wonderful service—very skilful, very helpful, sensitive and tuned-in. It is because of their longevity in the job and in the Perth RSL, and the level of
knowledge and skills they have gained, that they are able to provide this excellent and helpful service to the veterans community, their families and their children.

In my electorate I am fortunate to have a number of sub-branches, and I take the opportunity to mention them here. The Osborne Park RSL, with Bill Sullivan, who has been president there for quite a number of years, has done an excellent job—building up the club, making it viable and relevant to the members and a very friendly and welcoming place to go to.

The North Beach sub-branch is also in my electorate. The president there, Roger Hardwick, does an excellent job. The club does not actually have a building, but it does get to use the premises of the North Beach Bowling Club. It does an excellent job of making sure that the members in that part of the electorate are well looked after, their needs are met and they are linked into services where needed—sometimes through my office. The biggest club in my electorate, and the most active, is the Nollamara/North Perth sub-branch, where the president, Keith Boxshall, has taken a club that was small and struggling and built it up to the stage where it has the finances to employ a part-time welfare officer, who works with the Perth RSL in helping the veterans community.

The Scarborough sub-branch is also in my electorate. It does not have a building, but it does have access to the Doubleview Bowling Club. It works hard with that committee to put on events, provide support services and ensure that, if members are not seen around the club building for a while, someone makes the effort of making contact with them. It is usually a matter of health or illness, and it makes sure it is linked into the services and that support and nurturing are provided. These associations are wonderful mechanisms to make sure that veterans are looked after—particularly when they are ageing and may lose their family members—with support networks and support mechanisms in place and access to the programs needed to make their lives reasonable in their last days.

A number of other organisations in my electorate come to me with issues and to raise their concerns. These include the Hamersley support group, the T&PI Association, the ED association, the HMAS Gawler association, a number of naval associations as well as RAAF associations. One of the most active groups now is the Vietnam veterans association. They have only recently come to meet with me to let me know what their concerns are for their members. The biggest concerns that come over when these associations come to meet me are the need for more counselling services and the need to ensure that Home and Community Care Services are there and available when the members need them—not having to be on a waiting list or having to go many miles across to Perth to access something but having it available in their local area where needed.

The other issue that comes up is the issue of counselling and services for the wives and children of the veterans. As the member for Cowan pointed out, at times there is a lack of available relevant services, particularly for children, when somebody has a need which is not funded for but may come up at fairly short notice because of a fairly unique or difficult circumstance within the family. I draw that to the attention of the House so that, hopefully, in looking at the budget that we are now preparing for 2001, some provision is made for extraordinary items and special events.

The other thing I would like to say is that in the past couple of years I have had a fair bit to do with people who were prisoners of war, both civilian prisoners of war and Defence Force prisoners of war. My contact and connection with them is always fairly painful. To see the health problems they suffer because of what they suffered during the war is always very sad. I took the time to go to Sandakan in Borneo, and it was a very humbling experience. There is no actual physical evidence there anymore of the prisoner of war camp. But there is a tree and a street called Australia Street, and on the tree is a plaque that says, ‘This is where the Sandakan prisoner of war camp was.’ I had family members and neighbours who died in Sandakan,
and it was very humbling to stand at that tree and think of the inhumanity and cruelty that was perpetrated on the prisoners of war and on the local community, because some of them died because they tried to give support and nurturing to the prisoners of war.

Recently, I went to the River Kwai, in the Kanchanaburi province of Thailand. I had family members and relatives who died in the prisoner of war camp there also, working on the railway line. Again it was humbling to stand in the war cemetery, which is fairly large, and to see the photos, pictures and memorabilia from that time in the three museums there.

All this makes me, as a member of the peace movement since 1969, very conscious that—as I have discussed with many veterans and veterans organisations—if we are not aware of human rights issues, if we do not all work for peace, if we do not have mechanisms in place in our society, if Australia does not support the treaty bodies and the treaty processes, if we all just look after ourselves and look to individual financial and material success, then the path we go down is a path of selfishness and individualisation. And it is such paths, in my mind and my experience, that lead people to become disconnected from their fellow human beings and lead to conflict. When there is conflict at the local level, you have sad situations. When there is conflict at the international level, you have wars. I never would want to see another war that would allow such inhumanity to be perpetrated on people as we experienced in World War I and World War II. In particular, I would encourage every member to go and visit some of the prisoner of war places.

Twenty years ago, when I made my one and only trip to Europe, I went to Dachau, in Germany, and to Auschwitz. That was a defining moment for me, which kept me involved and bonded with the peace movement for many years. I would encourage people to go and visit those places, because what they represent has been done to people by people; the cruelty and the violence are not always government orchestrated. It is in people to seek revenge, to see others as lesser, to allow other people to be treated cruelly, or to torture and kill them.

If there were no wars, we would need no veterans bills. We would have no veterans community. However, there have been wars, conflicts and incidents—call them what you like. They have led to the creation of a group of people who have suffered in serving their country; they have suffered injuries and now suffer from disabilities and health problems. It is in the interest of all of us to work in a bipartisan way to make sure that the funding and budgets are there, that these people’s health is looked after, that their families, their grieving widows and children, are looked after, that services are provided in a timely way, that a focus on rehabilitation, on home and community care, is kept at the forefront of the budget, and that counselling and practical services are provided if and where needed.

To return to the purpose of the bill: it is a technical bill. It is a bill about tidying up the matter of offences. But it is a bill that actually protects people if it makes life simpler when they are going through any kind of process with the Department of Veterans’ Affairs, or if there is any problem with the Defence Service Homes Act or the Veterans’ Entitlements Act. I draw my comments to the attention of the Main Committee and look forward to action to make sure that our veterans community and individual veterans and their families are looked after now and in the future.

Mr QUICK (Franklin) (10.48 a.m.)—I compliment the member for Stirling on her speech on the Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000. This short and somewhat dry piece of legislation, which brings all Commonwealth departments into line to ensure that all Commonwealth offences have standard formulation of the elements of intention, fault, burden of proof and penalty, gives me an opportunity to speak in general terms about veterans’ issues that concern the constituents not only of my electorate but across the length and breadth of Australia.
All federal members would be cognisant of the fact that we have veterans in our community. They are one of the things that bind us all together. We are of different persuasions but when it comes to veterans’ issues there is a commonality and a purpose. We will soon see the 86th anniversary of the original Anzac Day. As a son of an original Anzac, I consider it a special time. It always has been, ever since as a young child, for the first time, I saw my father march in Ballarat.

The good thing about veterans’ affairs is the bipartisan nature of this whole issue. The veterans of the First World War are diminishing in number—I tried to get the number of veterans from the minister’s office before I came; I know we only have two Anzac veterans still alive. In the past couple of days, we have seen the death of one of Australia’s great icons, Sir Donald Bradman. There has been a huge outpouring of grief and memories. When he is buried next Wednesday in Adelaide, the streets will be lined with tens of thousands of people to mourn his passing.

I wonder what we as a nation are going to do when our last Anzac dies? In Australia we do not have an Arlington Cemetery as they do in America where, with great pomp and ceremony, we could bury the last of the original Anzacs. I think Con Sciacca mentioned the phrase—it might have been Paul Keating: ‘national treasures’. As I get older—and I am at the end of my fifties—I still think I am young. Looking at the ages of our Second World War veterans, I recall that today is the birthday of a friend of mine, David Howard, who served in the Second World War. He was born in 1924 and is 77. I think he would consider himself to be rather young. He is one of the youngest of the Second World War veterans—most of them are in their 80s, some in their 90s.

The DVA are doing a fantastic job. One of the things that worries me—it is the same with all departments—is that they are somewhat lacking in understanding—I do not know whether that is the right phrase. In my mind, there is a need for more flexibility and greater understanding by departmental officers. One of my colleagues next door to me worked for the DVA for 20-odd years, and I know that he would have done his utmost to look after the veterans. I had to intervene on David Howard’s behalf. He lives in Adelaide, and his daughter lives in Kingston in Tasmania. David was one of those proud veterans who never really accessed any of his entitlements. He was fit and healthy and then suddenly, without warning, was hospitalised. Even though he went to the old repatriation hospital in Adelaide, he had trouble getting a bed, staying overnight and getting proper treatment. How does he go about proving that the illnesses are war related when, as I said, David is having his 77th birthday today? He is one example of many of the World War II veterans that I know. They have to face the paperwork and the bureaucracy—the subsections and the paragraphs in the Veterans’ Entitlements Act—when they have done the hard yards. As the member for Stirling said, they have endured hardships that we can never really imagine.

One of the good things that I have managed to do since I have been in this place is visit El Alamein and see the terrible conditions that they must have experienced when they were fighting there. I have been to New Guinea and most of the Pacific Islands where the Pacific war was conducted. I could not imagine being a young person there, spending years and years trying to fight your way through the jungle and stay alive, let alone defeat the enemy. I have trudged up the hills and I have waded across Anzac Cove, as my father did. I have been to Lone Pine, The Neck and Shrapnel Gully. I have read his diaries and tried to experience in some small way what he did as an 18 year old.

I have visited the Western Front and the lovely little French town of Fromelles where my father was machine-gunned on 19 July 1916. He came home and had to battle Veterans’ Affairs in those days. The member for Cowan mentioned TPIs. I well remember the inordinate bureaucratic battle that my father had to go through to get the TPI, because he was very
healthy and looked after himself. But despite suffering horrendous war wounds on the Western Front, he was not granted the TPI until very late in his life.

As we come towards the 86th anniversary of Anzac Day, I think it is incumbent upon all of us to make sure that the needs of the veterans and their spouses take paramount importance in what we do. Governments of all persuasions say the words but I wonder whether there is that flexibility and real understanding of the needs of veterans, especially as there are very few World War I veterans left. Every day, you read in the newspaper of the passing of our World War II veterans. Our Korean veterans are ageing as well, and most of our Vietnam veterans are approaching 60 years of age.

One of the other issues that I would like to mention here today is that there are lots of little country towns in my neck of the woods in Tasmania, like most country towns throughout Australia, where services are disappearing. When Commonwealth departments look at distances, they usually relate them to Melbourne and Sydney. From Footscray to Dandenong does not appear to be a great distance in Melbourne terms, nor does North Sydney to Liverpool in Sydney terms—it is just across town. But in Tasmania, with narrow roads and lots of mountains, there are little country towns that are isolated in Tasmanian terms. When it comes to Commonwealth legislation, bureaucrats might say: ‘Why can’t they access them because they are only 60 or 70 kilometres away?’ But those 60 or 70 kilometres are hundreds in mainland terms.

My mother lives in a little country town called Nhill in the Mallee in Victoria. As a war widow and the wife of an ex-TPI, she has access to services in the hostel in which she lives in Nhill. I must pay a compliment to the DVA office in Melbourne because they have looked after my mother since 1984 when my father passed away and they have done a wonderful job. My mother is 84 years of age and is at a stage in her life when she needs to access a wide range of services. The repatriation people in DVA in Melbourne are doing a fantastic job. I would like to compliment them and the medical practitioners who look after her and many other war widows in that neck of the woods.

One issue that I would like to raise—it is a pretty contentious one and most of us try to duck away and think, ‘Oh God, no’—is gold cards. If we are going to be fair dinkum, I would imagine that each of us, if we look closely at our electorate, have hundreds and hundreds of veterans from the allied forces living in our electorates who were demobbed and consequently have spent most of their lives in this country. Their children and their grandchildren have contributed to this great Australian society.

The first comment one could make is to say, ‘We can’t afford it; it’s going to cost tens of millions of dollars.’ In all honesty, I think we can find it if we are fair dinkum about looking after them. Recently, we suddenly plucked out a whole heap of money; $1.5 billion, for road funding. We changed the trusts rule and $600 million disappeared. I do not know whether anyone has quantified the actual amount involved in the provision of gold cards to allied veterans, but they have spent more years in this country and have contributed more to this country than they ever did to their country of origin. They fought alongside us. They shared the misery, the sacrifice and the hardship. They have contributed in many ways to Australian society. It is incumbent upon all of us to look at the issue of gold cards. I know this is an election year and people will be trying to figure out how they are going to get around a rather thorny issue.

Another issue that I would like to raise is the fact that there are still grey areas regarding the issue of entitlements—whether there actually was a war, whether we had actually declared war, whether it was a war zone, whether the region fits into what is in a certain subsection, clause and paragraph. Danna Vale, the member for Hughes, mentioned the situation of people waiting 55 years for entitlements. One of my constituents, Alan Reid, served in the Indone-
sian conflict. There was great turmoil at the end of the war before the establishment of the Indonesian republic. There was involvement of Australian personnel in that rather hairy situation. If the department has not declared it a zone of war or whatever the terminology is, despite putting your life on the line, enduring hardship and doing the hard yards, if it is not on the piece of paper and in the subsection, you do not get the entitlement. I would like the Minister for Veterans’ Affairs to look at that issue because it is one of the last issues that still needs to be resolved.

I also raise the issue of the plight of the TPIs. Some of them are really doing it tough. The issue raised by the honourable member for Cowan needs to be looked at. Knowing the commitment of the minister, I think he will resolve it. I raise two other small issues. I noticed recently that the department has spent some money on refurbishing the headstones at Gallipoli. I would like to thank the minister for his involvement in that. Those of us who have visited Anzac Cove and the other battle zones on the peninsula realise that something needs to be done to enable family and friends to read the headstones. Congratulations to the department for doing that. Finally, I would like to endorse the wonderful role played by the RSL clubs in my electorate. They are doing a fantastic job not only in providing a place for camaraderie and fellowship but also by being heavily involved in the community. The office bearers in each and every one of my RSL clubs are working tirelessly, despite their increasing age, to ensure that not only their members and families but the general community are provided with services, especially in the small country towns. I commend the bill to the House. I, like all other members, welcome the opportunity to speak on the issue of veterans’ affairs.

Mr Murphy (Lowe) (11.04 a.m.)—I would like to begin by congratulating the members for Franklin and Stirling for their very sensitive contributions to the debate on the Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000 this morning. They made invaluable contributions to the debate on this bill. They have both had the opportunity to visit a number of theatres of war overseas where our servicemen gave up their tomorrow for our today. Although I have not had that opportunity, I know that one day I will do so. I am very proud to say that I worked for 20 years in the Department of Veterans’ Affairs, as the member for Franklin said. It is a great department. Overwhelmingly, the staff have a commitment to ex-service men and women and their dependants. They deserve to be congratulated for the great service they have done and will continue to do.

Over the years, in the various roles that I undertook in the department, I had the experience of meeting ex-servicemen from all walks of life—those who served in all the conflicts, from the Anzacs to those serving today. I was very privileged to be made an honorary member of the Legion of Ex-Service Clubs, which organises the dawn service in the Cenotaph in Sydney every year. I have attended many dawn services there over the years. I had an uncle who served in the Owen Stanley Ranges. He did not die there but effectively it ruined his life. He ended up on the streets and was a trust case of the Department of Veterans’ Affairs. So I know at first-hand the impact of war on the lives of those who gave us the opportunities that we have today in this great country. The only problem I have with the Department of Veterans’ Affairs is that it has shed so many staff over the years. It started when I was there, and it continues to downsize. That worries me a bit because the number of clients of the department are dwindling and their needs are ever increasing.

I would also like to pick up on what the member for Stirling said when she spoke about the Sandakan campaign. Recently, in my capacity as the federal member for Lowe, I was made the patron of the Sandakan Community Education Committee, which is based in Burwood and is supported by the Burwood council. I felt very privileged that that honour was bestowed upon me. I take the opportunity to thank the members of that committee for giving me that great opportunity—Enid Maskey, Christine Robertson, John Walsh, Priya Powell, Bob Williams, Paul Webb, Councillor John Faker, Councillor David Weiley, the former Mayor of
Burwood, Clyde Livingstone, the Reverend Jim Doust and Elaine Doust, Morry Goldberg and that well-known, local, popular RSL figure, Russ Kenny. One of the most satisfying elements of my public life as a federal member is doing anything that I can to facilitate and help the ex-service community, and I will continue to do that.

I am supporting this bill because it seeks to bring penalties into line with other Commonwealth legislation by amending sections which contravene chapter 2 of the Criminal Code Act 1995. Labor is broadly supporting the bill, which makes a number of amendments to the offence provisions administered by the Department of Veterans’ Affairs, including identifying strict liability offences, clarifying defences and fault elements and playing a housekeeping role by removing references to the Crimes Act and replacing them with references to equivalent provisions in the Criminal Code.

Firstly, I wish to discuss the strict liability provisions. A strict liability offence must be clearly identified under the Criminal Code. Neglect to do so means that fault elements which must be proven by the prosecution will apply to all physical elements of the defence. An example given by the Bills Digest is: if a businessman or tradesperson were to suggest that his or her operations were a ‘war service home’ or a ‘defence service home’, he or she may be committing a strict liability offence under section 50A of the Defence Services Homes Act. However, under the Criminal Code a defence may be applied as a ‘mistake of fact’ to such an offence.

Also the bill amends the Veterans’ Entitlements Act 1986 to identify a number of other offences which may be strict liability. However, according to the Bills Digest by the Parliamentary Library’s Jennifer Norberry, the amendments retain the ‘defence of reasonable excuse in each case where it presently applies to an offence identified as a strict liability offence’. The bill also works to make amendments to the Veterans’ Entitlements Act relating to fault elements. For example the word ‘wilfully’ in subsection 93D(7) of the Veterans’ Entitlements Act is replaced with ‘intentionally’. This is because the Criminal Code provides fault elements of ‘intention’, ‘knowledge’, ‘recklessness’ and ‘negligence’ rather than ‘wilfulness’ or ‘knowingly’. These amendments also clarify the physical element of fault as being one that involves performing proscribed conduct: for example, deceiving an officer of the department. There are a number of ancillary changes which this bill amends in an effort to clear up references to the Crimes Act of 1914 and replace it with appropriate references to the Criminal Code. In particular, these include references to incitement and conspiracy to commit an offence against any Commonwealth law.

I would like now to turn briefly to an issue which cuts right to the heart of the veteran community, which I was referring to earlier, and that is a problem of grave concern—namely that of service provision and the declining staff levels of the department. As you know, Mr Deputy Speaker, I spent some 20 years working in the department and since my election in 1998 I have managed to build a good relationship with the veteran community in my electorate as the federal member. That is pretty easy when you have worked in the department for so long. I know the minister is here and I will commend the minister. He does a good job and he is very widely respected throughout the RSL community. It is one of the fortunate things with veterans’ affairs that there is bipartisan support generally. Yes, at times we have our battles and our debates on various issues, particularly with regard to entitlements—and the one we are looking at at the moment is the gold card—but, generally speaking, I think the ex-service community is very well served by the Australian government of the day.

I think it is true to say that historically we have had the most generous repatriation system in the world. When I worked in Veterans’ Affairs, to get something out of the American government or the UK authorities for health and social security was like trying to get blood out of a stone. You almost had to produce your gunshot wounds; they were pretty tough. But the criminal standard of a reasonable hypothesis gives most ex-servicemen a reasonable chance of
success of linking their war caused diseases and injuries to their service. If there is any contribution, aggravation or occurrence, most of the claims succeed—and so they should—and the civil standard is applied to the determination of the rate of pension and associated entitlements. So I think we do a good job, Minister, and I will take the opportunity to feed back to you while you are sitting here in the chamber that you are well regarded by the ex-service community in my electorate. Even if there is a change of government at the end of the year, I am sure that the ex-service community will continue to be well served.

I want to say that the staffing levels of the department have been declining since the election of the government, and I want to look briefly at the figures. In 1995-96 under the Keating Labor government the total departmental staff, including hospital staff at repatriation hospitals, numbered 3,384. I know that is a big component because we have shared our institutions predominantly with the Department of Veterans’ Affairs, and that is not a bad thing because most ex-servicemen, ex-servicewomen and their dependants would like to be treated locally, so I can understand that.

Nevertheless, departmental staff numbers drastically reduced to 2,746 in March 1996 as part of a smaller-government philosophy by the government. Further cuts have continued each year. The declining staff rate left the department with just 2,475 staff in March 1999-2000. This results in the staff of the department having more work to complete and less time to do it. The staff are doing a good job, as I have said earlier, but even they are limited by some of the government philosophies and policies. Just looking closely at those figures, at 30 June 1996 there was a total of 972 people across Australia working in the health section of the Department of Veterans’ Affairs from different areas, including administration, war graves and corporate services. The figure for those working in the health section at 30 June 1997—just one year later—was 768 staff across Australia. This is a reduction of 204 staff or almost 21 per cent of the staff in the health section of the Department of Veterans’ Affairs. I am concerned about that. Overall since 1996, the total departmental reduction has been almost 27 per cent.

The veterans’ community, particularly given that this is an ageing community—the majority of World War II veterans and dependants are now in their 70s and 80s—needs an increased level of care, particularly health care, to be available. As the health of these World War II veterans diminishes and there is an increased need for health facilities and care due to service related injuries, staff numbers must not be allowed to continue to decline. Realistically, services to the veterans’ community will not improve unless the government decides to boost the staff levels.

Finally, I note that over the past decade there has been an increasing number of medals created by the federal government to recognise community service, including civilian service during World War II. This should not mean, however, that the service of our national servicemen should not be recognised. I know the minister is here today. I recently asked him a question on notice about getting the Australian Service Medal for national servicemen. I encourage the minister to pursue that because I think they deserve that. I remind the minister that national servicemen recently marched to commemorate the 50th anniversary of the introduction of compulsory peacetime military service from 1951. I was pleased that the shadow minister for veterans’ affairs, Senator Chris Schacht, and the shadow minister for defence science and personnel, Laurie Ferguson, recently announced that, when we get into government, we will support an appropriate form of recognition for the quarter of a million Australians who undertook compulsory military service between 1951 and 1972.

I hope we do not have to wait to get that recognition for the national servicemen. I am a patron of our local national servicemen’s association and I have given them a commitment to do whatever I can to get the recognition that they deserve. I really think, Minister, while you are here and we are talking about the needs of the veteran community, that you should do
something before the election. I would give you recognition for it because I think it is some-
thing that is desperately needed by the national servicemen’s community. We should not have
to make something like that an election issue. I am sure you can do something about that be-
fore 17 November, 24 November or 1 December—whenever the election is likely to be
held—because I am not really anticipating that there will be an election earlier. I realise the
heartache that you are experiencing at the moment. You are a good minister for the veteran
community; I will say that. I know you will continue to serve the ex-service community well.
I will give you any support I can as someone who has worked in the department for such a
long period of time. Probably technically, with great respect, I know more about the insides of
the department than you do. You have to rely on your minders, so I am quite amenable to get-
ning a phone call from time to time if your minders do not tell you the true story. We know
sometimes these things happen.

I certainly remember that, when I was a New South Wales audit manager in the Department
of Veterans’ Affairs, the management of the department did not appreciate my telling them
that the systems were not meeting their objective all the time. I would have thought an audit
manager’s role was to be a good director of intelligence and to report directly to the secretary
if something was wrong. I offer you any service that I can give you from my side of the
House, Minister. If I can help you do anything to make things better for the ex-service com-


Mr BRUCE SCOTT (Maranoa—Minister for Veterans’ Affairs and Minister Assisting the
Minister for Defence) (11.20 a.m.)—in reply—I appreciate the member for Lowe’s comments.
They are very generous comments. Perhaps, as a former employee of the department, he has
some intelligence I should be more aware of.

Mr Murphy—I still have contacts.

Mr BRUCE SCOTT—That is important. I also appreciate the comments of other mem-
bers. For a long time there seems to have been a more bipartisan approach to the issue of how
successive governments look after our veterans and war widows in this country. Long may
that be the case. I know from time to time there will be some disagreements—and I appreciate
that as well—but I have appreciated the generous comments of the member for Lowe and the
comments of other members during the debate.

The Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000 is
about advancing the government’s program to harmonise offence-creating and related provi-
sions in the Commonwealth legislation within the Criminal Code. The Criminal Code will
codify the most serious offences against Commonwealth law and establish a cohesive set of
general principles of criminal responsibility. The purpose of this bill is to apply the Criminal
Code to all offence-creating and related provisions in acts falling within the Veterans’ Affairs
portfolio and to make all necessary amendments to these provisions to ensure compliance and,
importantly, consistency within the Criminal Code’s general principles.

While the majority of offences in legislation in the Veterans’ Affairs portfolio will operate
as they always have, without amendment, there are some that will require adjustment. Amongst
the most significant amendments is the express application of strict liability or ab-
solute liability to some offence-creating provisions. Under the Criminal Code, an offence
must specifically identify strict liability or absolute liability, as the case may be, or the prose-
cution will be required to prove fault in relation to each element of the offence. This is neces-
sary to ensure that the strict or absolute liability nature of some provisions is not lost in the
transition to the application of the Criminal Code’s general principles. If relevant offences are
not adjusted in this manner, many will become more difficult for the prosecution to prove and
therefore reduce the protection which was originally intended by the parliament to be pro-
vided by the offence.
The bill will similarly improve the efficient and fair prosecution of offences by clarifying the physical elements of offences and amending inappropriate fault elements. This harmonisation of offence-creating and related offences in veterans’ affairs legislation with the Criminal Code is an important step in the government’s program of legislative reform that will achieve greater consistency and cohesion in Commonwealth criminal law.

The member for Cowan raised a few issues in relation to private insurance and PTSD. Let me assure the member for Cowan that work is under way with Treasury to attempt to assist the insurance industry’s assessment of PTSD claims, particularly those relating to veterans. I certainly appreciate the member for Cowan’s comments that response times for correspondence are improving. I am sure this is something that every minister has battled with from time immemorial, but I did notice his comments that response times are improving. I can assure the Main Committee that my objective is always to provide helpful and high quality advice. Sometimes that may take time, especially when there are complex inquiries on claims and appeals.

I also appreciate the member for Cowan’s comments in relation to the rate of T&PI compensation. I just want to reiterate that I initiated a meeting with the president of the federation, Blue Ryan. They were helpful and constructive meetings, and my department has worked with the federation to help it develop a submission. I think that demonstrates the close relationship that the department has with the ex-service community, whether it is with the T&PI Association, the RSL or the VVAA—and that was also my initiative. I instructed my department to work with the association—in this case, the federation—to work up its submission to the government.

I can assure the member for Cowan that I have been proactive in the way I have dealt with the issue of the T&PI Association, the ex-POWs’ submission that is coming forward and in the way my department has worked with the POW association. We work with all ex-service organisations. It has ever been the case that ex-service organisations like to work with their constituencies at a grassroots level to get their feelings on issues, and then they present their submission to government. That is how, over more than 80 years, we have been able to develop in this country the best repatriation system in the world. If we were to go around that process, in the end we would find government thinking that it knows best—when in fact it is so important to continue to network through the ex-service organisations, which are very much grassroots driven organisations that do a tremendous job for the ex-service community in Australia.

Finally, in relation to Darcy Upton—I think the member for Cowan raised the issue of Darcy Upton—I am pleased to say that, with the assistance of Veterans’ Affairs staff, Mr Upton’s son Darcy is now registered for assistance with the Vietnam veterans’ children’s support program and will be able to access a range of support. That program was an initiative of this government following the health study of Vietnam veterans, which we announced in the budget last year. I think it is a significant breakthrough for government that we are looking after, in this case, the children of Vietnam veterans, and I am pleased to see that we have the support of the opposition on these new measures. Also, I would like to think that members of the House who have concerns always feel that they have access to my office. I believe it is always important that we, rather than the media, hear first if there is an issue affecting our veterans, because in that way we can work in partnership, as has always been the spirit of the Veterans’ portfolio with whichever political party is in government. I thank members for their contribution and I commend the bill to the committee.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.
Second Reading

Mr BROUGH (Longman) (11.29 a.m.)—I move:

That the bill be now read a second time.

The National Museum of Australia will open in 2001 as part of the celebrations of Australia’s centenary as a federated nation. Just as museums around the world are rethinking their role and purpose in society as they face the new millennium, the National Museum of Australia has also been defining its role as a museum for the 21st century.

As a new museum opening in the new millennium, the National Museum of Australia cannot simply be a traditional museum concept with new technology. Both educational and entertaining, the museum will employ a fresh and exciting approach to Australian history, culture and the environment—presenting its varied subject matter through the blending of exhibits, technology, media, live performance and hands-on activities within dynamic architectural and landscape spaces.

As a modern cultural institution, the National Museum must be provided with the proper equipment and functionality to enable it to operate successfully within this new environment as a premier cultural heritage resource for the Australian nation. The National Museum’s powers to undertake the range of activities it proposes require the foundation of an appropriate legal framework.

The National Museum of Australia Amendment Bill 2000 is an essential part of that framework. It makes several critical and other desirable amendments to the National Museum of Australia Act 1980 to ensure that the museum opening in March 2001 has the power to undertake the range of activities it proposes to engage in.

The bill has its origins in the need to bring the act up to date for the opening of the National Museum on March 2001 as the flagship for the Centenary of Federation. It will clarify that the National Museum can engage fully in its proposed activities.

Against this background the bill has as its main objectives:

- to allow the museum to exhibit material which relates to Australia’s future as well as its past;
- to clarify that the museum can undertake a range of fundraising activities;
- to allow the museum to establish a fund;
- to increase the value of historical material which may be disposed of without ministerial approval; and
- to correct a technical error to relate disclosure of pecuniary interest to the relevant sections of the Commonwealth Authorities and Companies Act 1997.

The functions of the museum include exhibiting historical material and holding temporary exhibitions of other material. The museum proposes to exhibit a permanent children’s exhibition on the future of cities through a 3D presentation. To allow the museum to permanently exhibit material relating to Australia’s future as well as its past, a new function has been added to this effect.

In relation to fundraising, the act is being amended to better reflect the commercial requirements in relation to the museum’s functions. While some of the proposed activities are arguably already within power, others are not and any amendments have been modelled on those of other national cultural institutions, in particular the Australian National Maritime Museum Act 1990, as it is more recently drafted and reflects the commercial activities gener-
ally expected to be undertaken by modern cultural institutions. For those proposed activities which are arguably within power, amendments have been made to expressly confirm such powers.

These functions include the power to charge fees for services provided in relation to its functions. Such services include guided tours, lectures and audio tours. They also include the museum actively seeking to raise funds through the holding of events, acceptance of gifts, devises, bequests or assignments made to the museum and the raising of money through sponsorships.

While the museum has the power to accept such gifts, bequests and money from the disposal of property, devises, bequests and assignments, an amendment is proposed to empower the museum to establish a fund in which to deposit these funds. The clause is based on a similar provision in the National Gallery Act 1975.

An additional issue that has been addressed is the value of material for which ministerial approval is required before disposal action can be undertaken. The value of material for which ministerial approval is required was set at $20,000 when the act commenced. The amendment provides for the limits to be increased to $250,000 and is consistent with the limits set in the National Library Act 1960, to better reflect current values.

A technical error has also been addressed in the amendments to ensure a correct referral to the Commonwealth Authorities and Companies Act 1997 as it relates to disclosure of pecuniary interests by the council.

It is critical that amendments be in place before the museum opens in March 2001. This will allow the museum to make a smooth transition from the current arrangements into the more commercial environment in which it will operate after opening. I present the explanatory memorandum to this bill.

Mr McMULLAN (Fraser) (11.33 a.m.)—I thank the Minister for Employment Services for his passionate advocacy. The opposition will be supporting the amendments contained in the National Museum of Australia Amendment Bill 2000, as they seek to address deficiencies in the National Museum of Australia Act 1980. I will not deal with those which are merely correct technical and drafting errors. There are four of substance, the first of which enables the National Museum of Australia to exhibit material relating to Australia’s future as well as its past; the second confirms that the museum has the power to engage in a range of commercial and fundraising activities; the third proposes to increase the value of historical material that may be disposed of without ministerial approval; and the fourth establishes a museum fund.

Those with a traditional view of the function of a museum might be surprised to see that we are proposing to amend the charter of the museum so that it might exhibit material relating to Australia’s future as well as its past. But it is an interesting reflection that people did not propose to do that in 1980. When you visit even the most traditional museum that exhibits natural history and other collected material depicting the past, it raises questions in your mind about the future.

If you look at historical material concerning extinct species, it certainly raises some questions about the future, because you think about the endangered species which are confronting threat at the moment and the need to change policy and behaviour to give us the opportunity to preserve those endangered species. When you visit museums which show the historical circumstances of indigenous Australians before and since European arrival, it raises very profound questions about the future of this country, and you need to have a very hard heart not to have those questions presented before you. Even in the most conservative assessment of the role of a national museum, you must accept that it has to have the capacity to speculate about our future as well as our past.
More particularly, as we look at a modern interpretation of the role of a museum, at least over the last 20 years, some people would have thought that this was the case in 1980 but it was not reflected in the original legislation. Until people started trying to put the proposal on the ground, the limitation did not have any immediate impact, because people thought, by implication, that we would be able to deal with this in the nature of the material that we presented. Clearly, that limitation now needs to be addressed pretty quickly, because the museum will open in 10 days. I am sure that everybody over there on the Acton Peninsula is very cool, calm and collected about that; I am sure they have got the whole show under control and nobody is worried about the fact that it is all going to happen in 10 days time.

It is important that our modern cultural institutions do challenge us about the future of our country and the globe, as well as depicting and presenting, in important ways, elements of our past. So I am not only comfortable with the amendment, but I note that underneath the amendment there is something that is important, which I support. I welcome the initiative, which I assume came from the management of the museum, to seek this amendment so that they can develop the sort of modern, challenging institution that the National Museum of Australia should be.

There is not much to say about the commercial and fundraising activities function of the museum. That should be reflected in the legislation. It never occurred to anybody that it would not have that function, but it is appropriate that it be made more explicit and that we ensure that there are no effective limitations on it. Similarly, the museum fund—I will skip over the third matter because I want to say something about that in a moment—is simply an orthodox way of bringing into line the arrangements for the museum with those of comparable institutions.

I support the proposal to increase the value of historical material that may be disposed of without ministerial approval, but it is a tricky proposition. It is not without its concerns. While I have no hesitation in supporting it—I recommended approval of it to my party and I supported it to the committee—I want to say a couple of things about the corollary as it applies in some other institutions with respect to limits on acquisition and the need for ministerial approval for acquisition. That balance is difficult to strike, in two ways. One is, of course, the protection of the taxpayers’ money in the acquisition. We have had controversial acquisitions in the past—not by the museum but by the National Gallery. If one goes back far enough, one can refer to the wonderful Blue Poles, which had certain troglodytes coming out of the woodwork 25 years ago to express their concerns about it. They seem to have disappeared in recent times. Those same people do not now have the same views. I welcome the education of anyone, however belated.

When I was the minister with responsibility for the arts, the limitation on acquisition by major institutions before ministerial approval was needed was ridiculously low. It did not cause a particular problem during my time as minister, but I saw some of my predecessors and some of my successors confront that limitation. The limitation has been varied, and that is appropriate.

Disposal is a trickier matter. When you think about how museums in particular but cultural institutions in general acquire their collections, you need to think about how they dispose of them. One thing that distinguishes museums from other institutions is the extent to which they are offered, and sometimes accept, donations of material. Of course, there are very fine donations made to the National Gallery and the National Library by major benefactors. In the case of the museum, much of the material is not given by major benefactors; it is given by Australian citizens who have kept, or have discovered that their parents and grandparents have kept, items of historical significance. It can sometimes apply to the library as well, in relation to documents. So it is not unique to the museum, but it happens more in the museum context than otherwise. Therefore, the issue of disposal of such material is a bit more sensitive.
In any event, there is a related issue to which I wish to refer. As I say, I support the proposition; I just wanted to raise this question as something which the museum administration, in developing guidelines for the implementation of this new amendment, should consider. The solution is not to have some ludicrously low, arbitrary ministerial approval for disposal; it is to have appropriate museum guidelines for disposal within the act. So I support the amendment.

I want to raise another issue. Once again, the solution does not lie in ludicrously low limitations—that is, there is certainly a precedent for finance departments to suggest that collecting institutions should finance their future activities by the sale of their current collection. It has certainly been proposed in the past by the finance department for the National Gallery of Australia. I think that is fundamentally an appalling proposition. We have to be aware that giving the capacity more easily to sell valuable items carries within it the potential in the future for those who know the price of everything and the value of nothing to suggest that we might be able to cut the funding to the collecting institutions so that they can, in particular with regard to their acquisitions budget, fund their acquisitions by the sale of existing collections.

Those are caveats that I put down in order to say that these are things that we will be looking at as an alternative government and, should the circumstances arise, as a government in the future. They are not matters that are best dealt with by retaining the existing $20,000 limitation, which is an administrative nightmare and which would not solve either of the concerns that I have raised. But when you consider this issue of disposal, you need to put issues like that on the table.

It has been a long path to the creation and construction of the National Museum; people have been talking about the need for a national museum for at least 100 years. So it is fitting that it should eventuate in the Centenary of Federation. The act which we are amending, and effectively, therefore, the institution which in 10 days or so time we will be opening, had its origins in the Committee of Inquiry on Museums and National Collections in 1975, which developed the concept of a low profile museum with three themes—Aboriginal Australia, social history and the environment.

With all the twists and turns of the subsequent 25 years, that is essentially the institution that has emerged. It is what was recommended back then, and I hope that those who took that initiative receive due recognition. The other controversial element that has changed is that the recommendation was that such a museum should be sited at Yarramundi Reach—and I still think that would have been better. Having been part of the process that led to the change, I understand why it changed—and I am not scoring points off the current government, because the change has its origins before 1996—but some people on both sides of politics pressured to have this museum moved to Acton Peninsula. Acton Peninsula is a very fine location for a public building and we will have a very fine museum on it—and I am very pleased that the Institute of Aboriginal and Torres Strait Islander Studies is getting its new building there.

I want to make a small personal comment on that. When I was Minister for Administrative Services, I was the landlord of the Institute of Aboriginal and Torres Strait Islander Studies, as well as being the arts minister at the time, and so I visit the institute. I was horrified—and I am sure the member for Throsby, in his capacity as a member of the Joint Standing Committee on Public Works, would concur—that some of the most precious items held in any collection in Australia were in this firetrap. I was appalled and agitated by that. I think it was a little straw amongst all those that accumulated that eventually broke the camel’s back, and so IATSIS was co-located with the museum.

It is a very good thing, in my view, for both the museum and the role and the future of IATSIS. I am so pleased that that valuable collection will now be properly housed in a build-
ing that fits both the scale and significance of that very fine institution, and which reflects the trust that has been put in Australian governments over the years by people, particularly Aboriginal and Islander people, in giving this precious—and in some instances sacred—material to us for safekeeping. We have not discharged that trust very well and it is only good fortune that has got us to the point where it is now going to be properly housed in an institution suitable for the purpose.

We have moved beyond the idea of Yarramundi Reach; we have built a fine institution on Acton Peninsula and it is due to open on 11 March. It has been a long and, you might say, scenic route to this point but I am sure that the National Museum will continue to raise a lot of debate. Its development has been, in itself, the basis for a lot of debate and argument. I am confident that the museum will play an important role in our society for a long time to come, and I support these amendments that will facilitate, in a small way, the institution that has developed over those 25 years. In the decades to come, I am sure it will play the role which it has always had the potential to play in my city of Canberra and in our nation of Australia. I support the amendments and recommend them to the Main Committee.

Ms JULIE BISHOP (Curtin) (11.48 a.m.)—Recent surveys reveal that, contrary to expectation, the interest of the community in the arts and culture remains very high, relative to sports and other entertainments. It is estimated that almost 85 per cent of Australians attend at lease one cultural institution or activity each year, and around three million visit a museum each year. That number will obviously increase dramatically after next week when the National Museum of Australia opens its doors. As the member for Fraser noted, the National Museum of Australia has—perhaps more as an idea and less as an institution—a rather long and tortuous history. In the centenary since Federation there has been a general reluctance on the part of state governments to support the proposal for a national institution of this kind, and a similar reluctance on the part of Commonwealth governments to commit scarce resources to its establishment.

Just a year after Federation, the director of the art department of the Bendigo School of Mines, Mr Arthur Woodward, penned A Plea for a National Museum in which he argued that the establishment of a national museum would not diminish existing state collections but would instead provide a spur to art and culture throughout the country. However, it was not until 1975 that the matter of a national museum formally entered the considerations of the Commonwealth. In that year, a committee of inquiry developed the concept of a Canberra based museum with three permanent themes: Aboriginal Australia, social history and the environment.

Five years later, the Fraser government passed the National Museum Act and gave further substance to the observation that when it comes to the crunch it is coalition governments that have consistently made the hard decisions on monuments and institutions in Canberra.

Mr Hollis—Ha!

Ms JULIE BISHOP—It is a fact. The act of 1980 provided for the gathering of an initial collection and for a temporary site at Yarramundi Reach on the north-western shore of Lake Burley Griffin. Throughout the 1980s, successive Labor governments deferred the consideration of a permanent museum, unwilling to commit financially or politically to the project. Thirteen years after the museum’s creation, the federal government allocated $3 million for preliminary site work and pledged a possible $26 million for future development, contingent on outside funding. However, by the following year, the Labor government had backflipped and floated the notion of the National Museum as an empty shell hosting travelling exhibitions. It was only with the coalition’s election commitment of 1996 that the support for a permanent three-gallery museum was secured. This proposal would require the museum to be co-located with the Australian Institute of Aboriginal and Torres Strait Islander Studies on the
As a member of the board of the Western Australian Museum Foundation, I have a particular interest in the world of museums and in the opening of the National Museum of Australia on 11 March. It is my firm belief that the establishment of the National Museum will not disadvantage the museums of the states and territories. Like Arthur Woodward, I believe that the creation of a national museum is not part of a zero-sum game. It will augment, not detract from, the nation’s other museums and related institutions. Some suggest that to be a great city you must have a great museum, and I have enormous faith in the ability of the museum to be a very fine institution with a collection of the highest order. The items on display at the National Museum—including 95,000 stone tools, the country’s largest collection of bark paintings, artefacts from the years of transportation, Governor Lachlan Macquarie’s sword, the ABC’s first outside broadcast van and Phar Lap’s heart—will be sure to attract, educate and entertain many visitors from both Australia and overseas.

The legislation before the parliament will serve the purpose of updating the National Museum Act before the 11 March opening of the museum. As such, the bill will allow the museum to do the following: exhibit material that relates to not only Australia’s history but its contemporary life and possible futures; undertake a range of fundraising activities; establish a fund into which it can direct gifts, donations bequests and the like; increase the value of material which may be disposed of without ministerial approval; and correct a technical error relating to the disclosure of pecuniary interests.

The first of these provisions—the changes to the types of exhibitions held at the museum—I think is the most important. Whereas the existing act provides for exhibits outside a strictly historical format, it does so on a temporary basis and not as part of a permanent institution. I understand that the museum proposes to host a permanent interactive exhibition for children known as the kSpace. This exhibition will offer children the opportunity to explore Australia’s cities of the future, and the amendment to the act will allow for that and other similar exhibitions to be hosted on a temporary or permanent basis depending upon the wishes of the museum.

The changes to the value of material that may be disposed of without ministerial approval reflect the changes in circumstance since the $20,000 limit was applied in the original terms of the act. It is now a limit of $250,000, which will better allow for the smooth running of the museum and, by extension, addresses the interests of its visitors. I note the caution expressed by the member for Fraser, but this change is consistent with the current provisions of the National Library Act 1960.

My involvement in supporting the arts and the administration of arts and culture also gives me a particular interest in the changes to the financial arrangements of the museum. Under the amended act, the museum would be able to charge fees for services such as guided tours, audio tours and lectures, as well as travelling exhibitions. The museum will also be able to engage in fundraising, the proceeds of which will be diverted to a museum fund. Furthermore, the museum may in the future wish to enter into commercial arrangements with sponsors. All these activities will be clearly within the powers of the museum. The amendments are based on those previously applied to the Australian National Maritime Museum Act 1990.

I well recognise the financial and administrative requirements of modern museums, and I certainly endorse these measures. However, I would offer to the museum my thoughts on the possibility of a general entry fee. I understand that the museum does not intend to charge such
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A fee, and I would certainly encourage the museum’s board to consider all alternatives before contemplating such a future measure. The absence of a general entry fee has been a significant benefit. I believe, to institutions from the Western Australian Museum to the Australian War Memorial here in Canberra. Of course, the National Gallery of Australia, which charged a general entry fee since its opening in 1982, has recently moved to abolish that fee. I think that is an initiative worth applauding.

It is not necessarily the trend across all cultural institutions. I think the new Melbourne museum, which is also expected to open this year, intends to impose an entry fee of $12 per adult. I think the value of providing instant, free access to an institution as important as the National Museum of Australia is such that I again emphasise that value to the board. There should be no barrier in general terms to the access of Australians and visitors alike to what I believe will become a significant, lasting testament to our history and to our future. I commend this bill to the House.

Mr Hollis (Throsby) (11.57 a.m.)—I am pleased to make a contribution to the debate on the National Museum of Australia Amendment Bill 2001. As the shadow minister has indicated, Labor supports these amendments, which seek to address deficiencies in the National Museum of Australia Act 1980. It is a pity that the member for Curtin should try to politicise this issue. The ALP has given consistent support—indeed, not half an hour ago the member for Fraser made this clear in his contribution. As much as one can as a member of parliament, I speak with some knowledge, or at least some considerable interest, in respect of the National Museum of Australia. As many years, I have been a member of the Friends of the National Museum of Australia. As a member of the Public Works Committee, I have seen many of the precious items that the museum has in trust for all of Australia.

Also, as a member of the Public Works Committee, I was very involved when the project came before the committee a couple of years ago. The committee at that time was chaired by the member for O’Connor and I was the deputy chair. There were a series of hearings, and some of them were quite interesting and colourful. There was also much discussion on the alliance system of construction. There was also considerable pressure that our approval not be delayed, as the Prime Minister very much wanted it open in this year of the Centenary of Federation. I have no argument with this; I think it should be opened this year.

Having been coming to Canberra for the past 17 years—and I see my colleague the member for Canberra is here—I guess I am an honorary citizen of Canberra and so have an interest in public buildings in this wonderful city. More importantly, the National Museum is also of considerable interest to me as an Australian with an interest in our history and culture. The museum has been a long time coming. Indeed, people have been talking about the need for a national museum for at least 100 years. As I said before, it is appropriate that it should finally come to fruition in this, the year of the Centenary of Federation. It is pleasing that the many diverse items collected over many years and in storage for so long will finally have a home here in Canberra, a home where these items can be viewed and appreciated by a much wider population.

I am one of those who believe the museum is in the wrong position. It should have been, as originally planned, on Yarramundi Reach and not placed on Acton Peninsula, where its bizarre architecture aggressively domi-nates the site. After the hospital went, I had long felt that, if this site were to be utilised for a building, it should be a low building which would complement the site and not aggressively dominate it as this project does. I make this comment as a member—indeed as the deputy chair—of the Public Works Committee which recommended that work proceed on the project.

The difficulty for the Public Works Committee was that we were not charged with selecting the site. We received many submissions indicating that the site should be Yarramundi Reach.
but we had to approve or not approve the work that was proposed to us on the site selected. Had the Public Works Committee been given the opportunity to select the site, I doubt if the museum would have been on Acton Peninsula. My concern with the current site is that not only does the building dominate the site but extension is limited. Had Yarramundi been selected, the building would have better blended into the landscape and there would have been considerable area for possible future expansion. Having said all that, I am not trying to detract from the site; it is a magnificent site. It is just that I think the museum will dominate that site. and my worry is that with future expansion, which will come, the museum will not be able to be expanded on Acton Peninsula.

There are usually a few buildings in a country that define a country. In fact, often a country or a city is symbolised by a building, such as the Eiffel Tower in Paris, the harbour bridge and the Opera House in Sydney, the magnificent public buildings in Washington or indeed—as some would say—this building in which we are privileged to serve. How will this building for the National Museum of Australia be judged? At the outset, let me make it clear: in my view the contents of any building and how they are displayed are the most important aspects, and this is how buildings should be judged. The two—that is, the setting and the contents—do coincide in the new museum in Wellington, New Zealand. This museum, which was opened in February 1998, attracted over one million visitors in the first six months, and five million visitors have visited the museum since its opening. Will our museum, our place, have the same attraction for visitors as this new museum in Wellington does?

As I said, a museum should be judged on its content, its display, its research and its commitment and contribution to expanding knowledge, rather than on the building alone. For example, I have not been inside the new Guggenheim in Bilbao but I have seen photographs, and its gallery will be known not for its content but for its architecture, as indeed will the new Guggenheim to be built in New York. One can only hope the museum’s interior will be more rewarding than that of the current Guggenheim in New York. After the opening of the new National Museum, much media coverage will be devoted to the building. The architecture will be debated and discussed, rather as the new Tate has been in London. I was fortunate to visit the new Tate in January of this year and, although impressed with the reuse of a disused power station, I was more interested in the contents and how they were displayed. I must say that the contents, as you would expect of one of the world’s foremost collections of modern art, were magnificent, but I was disappointed in how they were displayed. They were in small rooms with no flow through. I hope that this will not be repeated in the National Museum of Australia.

The real debate for many people concerning the new Tate, however, is whether the site has been fully exploited. As many would realise, the new Tate is on the Thames almost opposite St Paul’s Cathedral. It offers magnificent views across the Thames to the city of London, still dominated at this point by the dome of the Wren masterpiece, St Paul’s. But you do not go to the new Tate to view Wren’s masterpiece or the city of London. You go to view, appreciate or understand the masterpieces inside—to learn from them, to understand the society, even understand yourself. The point is that it must be the content, the interior, but too many museums today are judged on their exterior, the visual impact of the building, rather than the intellectual challenge of the contents.

As indicated earlier, I have no disagreement with what is proposed in this legislation. Much of it is quite straightforward. As the shadow minister has indicated, the opposition also supports the amendments. My concern is whether the museum will be able to fulfil its purpose of comprehensively defining Australia’s history to the people of Australia and explaining to visitors, especially overseas visitors, the defining features of Australia: who are we? Where do we come from? What are the issues, the defining features that have made us Australians—the indigenous Australians and those who have come in successive waves of migration? What
he indigenous Australians and those who have come in successive waves of migration? What has made us the people and the nation we are?

Incidentally, let me say, having been a little bit critical of the honourable member for Curtin at the outset, that what she said about museum charges was spot on. I have visited many museums and I have seen the tendency, especially in Britain and Europe, to charge entrance fees—and not cheap entrance fees. Go to any of the museums in Britain and you find a sign saying an entrance amount is ‘suggested’, but unless you are wearing that little badge you will not get very far. I hope that we can keep entry to this museum free, because it is Australians’ museum. It is the National Museum of Australia and it is important that we keep entry free. I would have no objection if, as in the V and A and other places, there were a special charge when a special exhibition was on, but for the bulk of the museum there should be free entry and no barrier against any Australian going there.

It is also important to recognise the role the National Museum will play in relation to other museums in Australia. I listened very carefully to what the honourable member for Curtin said about her experience in Western Australia. It is an important building, with the content symbolising what it means to live in Australia and be Australian. Consequently it will be very important to see how it relates not only to the state museums but also to small museums such as one I am particularly interested in, the Tongarra Bicentennial Museum, which opened in my electorate of Throsby in 1988. This small museum plays an important role in the cultural, educational and historical life of the city of Shellharbour. Indeed, the current exhibition details the Centenary of Federation in respect of Shellharbour. It takes the whole history of the city of Shellharbour over the past 100 years. That is an important role that that museum is playing.

A museum I have mentioned recently in the chamber is the Bradman Museum, in Bowral. My involvement in this museum comes from the time when I was a member for this area. In the very early days, when the museum was just an idea, people came to me for assistance with it. The museum is now a reality and has had two expansions. It is full of Bradman memorabilia—very significant this week, given the Don’s death. It is very much a part of the life of Bowral and, indeed, of Australia. Although I do not represent that area any longer, my enthusiasm for what goes on at the Bradman Museum has never declined. No visitor I have to my area, especially if they are from overseas, can escape being taken to the Bradman Museum and having me point out various things that I have a familiarity with.

The honourable member for Curtin went on a little about the role that the current government has played in museum and cultural development in Australia. We are debating the bill today in a bipartisan way, as has always been the case with the National Museum of Australia; we have always been very supportive of it. It is therefore a pity, which so often happens with this government, that the ALP members of this parliament—although I do not know about the Canberra ALP members—seem to be excluded from the guest list for the opening of the museum. I would have thought that for a building of such significance to Australia, and being the museum of Australia—not the museum of Canberra, Sydney or Perth but the National Museum of Australia, 100 years in the waiting—an invitation would have been extended to all members of parliament. Given that it is going to be opened on a Sunday, not many would have been able to accept—unless it was a burning issue for them.

Even more, and here I am bringing in a bit of a personal issue, I would have thought, given the involvement of the Public Works Committee, that even if all members of the parliament could not have been invited at least an invitation would have been extended to the Public Works Committee because we did put in a considerable effort. It was a difficult hearing that went on for some time. There was considerable debate about the costing which had changed and there was a new system called the alliance system. We put a lot of work into that hearing.
over many days. I must say that it was at times a very heated hearing, but eventually a unanimous recommendation came down that the work should proceed.

But this is fairly typical of this government. I do not want to go off on a different issue, but I was chairman of the Public Works Committee for many, many years and then deputy chair. I must say that in all the years I was a member of that committee, there was not a public building opened unless I or the office had organised that all members of the committee be invited. We do take a particular interest in the projects that come before the committee, and I must say that this was one of the most interesting and exciting projects that had come before us.

The challenge for the National Museum of Australia is to record the past, reflect contemporary Australia and challenge the future. I wish the museum every success—even if it looks like I will not be at the opening—and commend these amendments to the Main Committee and, indeed, to the House.

Ms ELLIS (Canberra) (12.13 p.m.)—The construction of the National Museum of Australia began in 1998. The original decision to build a national museum recommended that the site be on Yarramundi Reach, a decision popular with many. The government, however, changed the site to the Acton Peninsula, a site that certainly carries some controversial and emotional background. However, the construction began and we are now looking forward to the opening of what is described to us as a museum that actually looks like no other museum.

The National Museum of Australia Amendment Bill 2001 amends the National Museum of Australia Act 1980. The amendments enable the National Museum of Australia to exhibit material relative to Australia’s future as well as its past and confirm that the museum has the power to engage in a range of commercial activities relating to its functions. They enable the museum to charge fees and impose charges for services provided in relation to its functions, to raise funds for museum purposes, to increase the value of historical material for which ministerial approval is required before the material may be disposed of from $20,000 to $250,000, and establish a museum fund into which may be paid gifts and bequests and money, other than trust money, received from the disposal of property, devises, bequests and assignments. These amendments address deficiencies in the current National Museum of Australia Act 1980 and will specifically enable the National Museum of Australia to raise funds to try to meet the $4.2 million revenue target that has been set for it in its first year.

The National Museum of Australia has not left to the last moment the growth of its collection. Collection and storage of the historical material has been occurring since its foundation in 1980. Since then, focus has been on the development of collections through transfer of existing Commonwealth collections as well as by the acquisition of new material. Some items have come via donations by public and private sector bodies, individuals, community groups, associations and Aboriginal communities. I understand that the total collection was valued at $128.286 million as at 30 June 2000. Among the items in the storage areas are: 110,000 Aboriginal and Torres Strait Islander artefacts, including 95,000 stone tools ranging from tiny-backed blades to an axe grinding stone almost too heavy to lift; Australia’s largest collection of bark paintings; convict artefacts; prints and lithographs featuring early European images of Aboriginals; material from Federation ceremonies; and protective garments and equipment from the 1994 Sydney bushfires. It is a very eclectic collection reflecting the many faces of what it means to be Australian. Many of these treasures have been seen via the museum’s successful static and travelling exhibitions, and it is very pleasing to note that the museum will continue with its outreach and education programs.

The three main themes in the museum are Aboriginal and Torres Strait Islander history and culture, Australian society since 1788 and people’s interaction with the Australian environment. One of the most exciting proposals from my perspective is the permanent exhibition for children known as kSpace—Creating a City of the Future, which will involve a three-
 dimensional experience relating to Australian cities of the future. This is a hands-on exhibit allowing children to contemplate life in an Australian city of the years ahead.

There is no doubt that much has been said and debated during the museum’s own evolution to the current stage. There is also no doubt that the opening of the new national exhibit is awaited with much anticipation. Not only will the National Museum of Australia be a great attraction for all Australians to come and experience but it will add a great deal to the local Canberra community and to tourism potential and growth, and it will also stand alongside the other tourist icons so appropriately placed in this city that federation created. As the national capital, Canberra plays a very important role, offering to visitors—both national and international—a view of Australia through the eyes of our wonderful national institutions. There is no doubt that the National Museum of Australia will add a vital component to this view of us as a community and a country.

I must acknowledge the role of the Friends of the NMA, a group formed in early 1989. Those involved with the friends group—most of them are entirely local community members—have done a wonderful job promoting the role of the museum and assisting with the running of the interim display area on Yarramundi Reach, the original site. I congratulate everyone involved over the years. I do not think that the work of the friends group is finished with the completion of the project. I am confident that we will see much of the Friends of the National Museum in the future.

This morning also gives me a brief opportunity to acknowledge and recognise the wonderful achievement of Dawn Casey, the Director of the NMA. Ms Casey’s story is one that we will hear more about as the realisation of this chapter in her career culminates in the opening of the museum on 11 March. With an already distinguished career, Ms Casey was appointed as acting director in April 1999, relatively early in the construction phase—a phase that, as has been referred to, carried with it some controversy. In December 1999, she was confirmed as director, an enormous achievement for anyone. I have said that the Acton Peninsula site has borne much emotion and some controversy, and I do not wish to go into either of those points at this time. Ms Casey’s contribution to the management of this project through the construction phase, the organising of exhibits and generally the introduction of a new view of Acton Peninsula through the museum, has assisted and I am sure will assist many in dealing with those emotions and difficulties.

Unlike the previous speaker, I am looking forward to going to the opening of the National Museum of Australia and I am looking forward to it with great anticipation, particularly given the—for want of a better term—colourful history of the development of this wonderful national project. I take the opportunity to congratulate everybody concerned right through the whole process of the development of the National Museum. I wish them all every success in what I know will be the extremely exciting months ahead—obviously, with the odd peak and trough but, hopefully, with great accolades to everyone involved.

Mr Kelvin Thomson (Wills) (12.20 p.m.)—The National Museum of Australia Amendment Bill 2000 [2001] enables the new Museum of Australia to operate. In particular, it will allow it to have items to exhibit, charge entry fees, raise funds, establish a fund for gifts and other essential purposes. I am indebted to the Parliamentary Library Bills Digest, which suggested a number of quotes about the role of museums. I quote from Museums in Australia, dated 1975:

Museums [are not] simply buildings where ancient objects are preserved and displayed. Museums [are] vital places of education, entertainment and research where facets of the daily life of past generations of Australians can be seen and where our heritage of old trades, crafts and skills can be displayed and practised.
With somewhat more brevity, Jack Thompson, one of the Friends of the National Museum of Australia, said:

The whole concept of the museum is to provoke, not to sit there as a group of mouldy old samples in a glass case.

I think we would all agree with that. As others in the debate have noted, visits to Australian museums and other cultural venues play a very important role in Australian life. For example, during the 12 months ending in April 1999, about 85 per cent of Australians attended at least one cultural venue or activity. Some of the statistics collected suggest that Australians spend more time visiting cultural venues, including museums and art galleries, than attending sporting events. Some of the statistics also show that, while three million Australians visited a museum in 1999—that is 19.9 per cent—back in 1995 the figure was nearly four million, or some 27.8 per cent. I do not know precisely why there might have been a fall-off in attendance at museums, but it is possible that the cultural qualities of Prime Minister Keating in 1995 were superior to those of Prime Minister Howard, and might have encouraged more attendance at these events.

It is, of course, important for tourism. Cultural tourism in Australia is particularly important. About 60 per cent of all tourists to Australia visit our cultural attractions. Against that background, this bill gives the National Museum of Australia the power to charge fees and impose charges for its services, and to raise money through events. The National Museum has been set a revenue target of $4.2 million in its first year. The amendments which we are discussing here, proposed new paragraphs 7(2)(ja) and (jb), enable the museum to engage in a range of commercial activities that will allow it to raise funds to meet this target.

In September 2000, it was reported in the press that the National Museum was considering charging entry fees for general admission. More recent press reports suggest that general entry to the museum will be free, with an entry charge applying only to the temporary exhibitions. The National Gallery of Australia, which had charged an entry fee from its opening in 1982, introduced a policy of free entry to the permanent collection in October 1998. The National Maritime Museum charges for general entry, with an additional charge for temporary exhibitions.

Against that background, I want to call on the government to make it clear whether the National Museum of Australia will be liable to charge or pay GST on entry fees. The reason I seek this clarification, and it is necessary, is that there has been a debacle in relation to the imposition of GST on entry fees to cultural venues. In late January this year, I, like many other Victorians, was surprised to discover that the Melbourne museum had been charging GST on entry tickets to the museum when they were not liable to do so. That led to an absolute debacle of around 360,000 people having been charged GST and the museum having been put in the position of having to find some equitable way to refund that money. I am sure that everyone here can readily understand the difficulties involved in that.

This blunder is not the fault of the tourist attractions themselves. The blame lies squarely with the government and the Australian Taxation Office, which comprehensively failed to provide accurate or, more importantly, timely advice to them concerning the fact that they were not liable to pay GST. It is absolutely extraordinary that the government, which was able to find $400 million of taxpayers’ money to use on an information campaign that was nothing more than political propaganda in support of the GST, and the tax office, which recruited thousands of extra staff to handle the GST transition, were unable to provide organisations such as the Melbourne museum and the zoo with accurate information concerning their GST liabilities. Senator Conroy raised this issue with Rick Mathews from the tax office at the latest round of estimates. Mr Mathews said:

They—
the institutions—
would have been advised of the way the law worked, but there were some areas of complexity, not so much in museums and zoos but in other areas of entertainment, where extensive consultations were necessary and undertaken after 1 July. I think rulings were issued some months later.

He is certainly right about that. Much as he did not want to admit it, the fact is that the reasons given by the Victorian government concerning this debacle are absolutely correct. The Victorian Treasurer, the Hon. John Brumby, said:

When the GST was introduced every state in Australia applied Howard’s legislation to museums, art galleries and zoos.

We had a situation where the tax office changed its opinion in December, when it ruled that a privately operated Victorian art gallery was exempt from charging GST because it was a charitable organisation. It is a bit rich for the tax office and the government to be trying to pretend that they had no part in this bungle.

That did not stop the Treasurer, a man increasingly being seen as the government’s weakest link, from trying to pull the wool over people’s eyes by saying that the law always was that those charitable or cultural organisations selling a service or a product at a certain percentage of the cost are not liable for the GST. Somehow the museum was supposed to have predicted when they opened that the tax office would issue a ruling to exempt them from the GST in December. I am, however, not surprised by the Treasurer’s attitude in relation to this issue. It is yet one more example of botched GST introduction. Every time a new failure is revealed, the Treasurer’s response is one of denial. He did it on the BAS, he did it in relation to petrol and he did it here. He was rejecting suggestions that the tax office had given bad GST advice to Victorian tourist attraction operators that left patrons out of pocket. He told reporters that these institutions were not misadvised at all. Talk about trying to turn black into white!

As a result of this failure, parents taking their children to attractions such as museums, science works, festivals and zoos have been overcharged by 10 per cent. In many cases, they will not have retained their entry tickets, so it will not be practical for them to try to get a refund of the money. In any event, the cost and effort of obtaining a refund may well exceed the amount of money that they would get back. So they have just been left in the situation where they have been overcharged by 10 per cent. The other question that arises here is the cost to these public institutions of the administration of the refund. It has occurred only because the tax office changed its mind, and organisations such as the museum should not have to foot the bill for this. Government and tax office bungling of this issue is further evidence that the GST represents a complex new tax rather than a simplification of Australia’s tax system.

Debate interrupted; adjournment proposed and negatived.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (12.30 p.m.)—I thank all members who have contributed in a constructive way—and I have to confess that that does exempt one or two—to the debate on the National Museum of Australia Amendment Bill 2001, which amends the National Museum of Australia Act 1980. The Hansard record will easily and very obviously identify those who are not worthy of the thanks of the government for their contribution to this debate, but I do acknowledge support, from both sides of the House, for the decision not to charge entry fees.

The bill confirms the museum’s ability to raise funds—and I am very confident that the museum’s planned commercial activities will enable it to do just that—through practices including charging fees for services such as audio tours and lectures, and the holding of special events or exhibitions. The museum also has superb function facilities which will generate a significant income. The museum also advises me that it believes that sponsors will look very favourably on sponsoring an institution that provides free access for the public, thereby en-
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encouraging greater visitor numbers. The museum’s high visibility on a very prominent site should attract visitors and sponsors alike.

The new facilities are magnificent and will be a major drawcard for visitors to the national capital. We should therefore, in passing—although there will be later opportunities for more substantial thanks—pay tribute to a number of people: the former chairman, Mr Jim Service, who got the construction under way, supported by a very dedicated and committed council; Dawn Casey, the National Museum of Australia’s director, and her equally dedicated, committed and hardworking staff; and the Friends of the National Museum of Australia, who kept the faith through 13 years of Labor inactivity when promise after promise was made to build the National Museum but was not followed through. But since the National Museum has won the fulsome support of the Labor Party and is endorsed by them in all its aspects, who am I to in any way cast a shadow over the opening of the National Museum?

The National Museum will open on 11 March, and that will be the highlight of the Centenary of Federation year. Indeed, the opening of the museum is the flagship event for the Commonwealth during these 100th year celebrations of our birth as a nation. The passage of this amendment bill, all members will agree, is therefore very timely, because it will allow the museum to operate successfully within the new environment of the 21st century as one of Australia’s premier cultural institutions. I commend the bill to the Main Committee and to the House.

Question resolved in the affirmative.

Bill read a second time.

Ordered that the bill be reported to the House without amendment.

ADJOURNMENT

Motion (by Mr McGauran) proposed:
That the Main Committee do now adjourn.

Aged Care: Croatian Community

Mr SERCOMBE (Maribyrnong) (12.33 p.m.)—One of the privileges and pleasures of representing an electorate like Maribyrnong—which is very similar to your own, Mr Deputy Speaker Jenkins, in this respect—is the cultural and ethnic diversity of the electorate. Ours are electorates in which people have settled from pretty much all over the world, and they have made substantial contributions to the Australian community. However, one community that does not receive the sort of support from government that it ought to receive is the Croatian community. This community is at least the 10th largest in Victoria. The community has made a very substantial contribution to Australia in a whole variety of ways. In my own part of Melbourne, for example, the Melbourne Knights Soccer Club—the national soccer team that just last Friday whipped the competition leaders, South Melbourne, 4-0—is an organisation which very much has an Australian-Croatian heart and makes a big contribution to the whole community. But in some important areas, the Croatian community is let down.

One particular example currently is in relation to the recently announced community care packages. As I said, the Croatian community is a large one, and it is an ageing community. Time is not kind to any of us and people who came to Australia in the 1950s and 1960s are no longer so young. They are people who need linguistically and culturally appropriate services for their age. They have an outstanding organisation in the Australian Croatian Community Services that submitted a proposal of 30 packages, but without any adequate explanation the government has not proceeded to provide much needed funding.

The Croatian community has no specific beds for aged people. It has no community care packages for its aged. This community has experienced many of the worst traumas of the 20th
That particular part of Europe has experienced war and tragedy right up to the 1990s, and inevitably this impacts on people, particularly on those who are now growing old. These people need the sort of support in their old age that will enable them to lead dignified, healthy lives. In many cases, these people do not have well-developed family networks. Because of the traumas of their lives, many of them may not have successfully established long-term lifelong partnerships. The consequence is that organisations like Australian Croatian Community Services are very much needed to provide support for these sorts of people in their older age. The Croatian community also provides a range of services to Bosnian people, and we understand, particularly in the 1990s, what sorts of traumas those communities went through as well.

I call upon the Minister for Aged Care to review her decision to refuse the Croatian community any support for their aged people. The west of Melbourne also simply does not have adequate private financial provision of aged care services, unlike perhaps the somewhat more leafy or well-endowed suburbs. The large Croatian community in the west of Melbourne is another reason for the government to review the decision it has taken, to ensure that the Croatian community is able to provide aged care services through the package scheme for members of its own community.

Leichhardt Electorate: Cadet Forces Service Medals

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (12.37 p.m.)—Two weeks ago I had the honour and privilege of officiating at a very important medal presentation at the Cairns RSL club. Five long-serving officers and instructors of No. 4 (City of Cairns) Flight North Queensland Squadron for the Air Training Corps received the Australian Cadet Forces Service Medals.

The ceremony was about two decades in the making. There has been more than 20 years of lobbying by the RSL, the RAAF and other community organisations to right a wrong in our system of publicly acknowledging the efforts of those who volunteer their time, skills and dedication to our cadet system. Cadet instructors have remained unrecognised since 1975, when the Australian cadet forces system was first disbanded and the cadet forces medals went with it.

I would like to take this opportunity to thank three men in particular for their tireless work in keeping the issue burning. I am referring to Danny Peri, Roy Hartman and Warren Alderson, who were recognised on that day for their commitment to the Australian cadet forces. It was their commitment and drive that encouraged me to continue to pursue this issue. I am proud that I was able to play a small role in lobbying for the recognition of their commitment.

The anniversary was also very significant in that No. 4 Flight was celebrating the 50th anniversary of its incorporation into the North Queensland Squadron of the Air Training Corps. Today the Cairns Flight boasts 120 members with eight adult instructors and four civilian instructors, and more than 2,000 cadets have passed through its doors since 1965. Across Australia, there are some 25,000 cadets with a total of 2,258 adults training in 416 units.

Cadet service has featured in the lives of many Australians, including our current Prime Minister, John Howard, who served in the ATC, and the current Chief of the Defence Force, Admiral Chris Barrie AO. I have to declare that I was also a cadet, in No. 6 Flight in Mareeba many years ago.

I will now refer to the five instructors who were awarded the medals. Bob Birkbeck is a current serving member with No. 4 Flight. He has chalked up 44 years of service with the ATC, which is very significant—39 years as an instructor. He first joined as a cadet on 5 August 1957, only six years after the flight was formed in Cairns. Bob was recognised in 1997 with the award of the Chief of the Air Force Commendation for his services.
Flight Lieutenant Danny Pieri is also a current serving member. Danny has served for 22 years—the last 18 years as an instructor. He joined in 1979. Flight Lieutenant (Retired) Roy Hartman was a member of No. 4 Flight. He joined in 1967 with the rank of corporal. He was previously a flight commander of the Cairns unit, and served with the Royal Australian Air Force. In fact, we were both engine fitters in the Air Force, commonly referred to in the trade as ‘sumpies’, working on engines. Roy was commissioned in 1971 with the rank of pilot officer and then was appointed to the position of flight commander in 1972. He retired in 1989.

Warrant Officer (Retired) Stephen Fowler joined the cadets in 1969. He rejoined in 1972 as a civilian instructor. In 1973 he was appointed as an adult instructor with the rank of aircraftsman. He rose through those ranks to the rank of warrant officer, capping 19 years of service. Mr Warren Alderson is also a retired member. He joined in March 1978 with the rank of warrant officer, after service with the Royal Australian Air Force. He rose through the ranks and in 1996 he was promoted to squadron leader and continued with the Training Corps until his retirement in 1997. He was awarded the Australian Cadet Forces Service Medal for his 19 years of service in that corps.

Those five men recognised at the ceremony in Cairns have, between them, 126 years of service to the Australian Services Cadets Scheme, and they should be very much commended for their magnificent dedication to an excellent organisation.

Disability Services: Autistic Children

Mr Griffin (Bruce) (12.42 p.m.)—The Johnson Family have asked me to raise their story in this place to highlight the inflexibility of the social security system and its failure to assist families such as theirs. They have battled with the system for the best part of a year and feel that this may be one of the last opportunities for them to have a say about the unfairness of their situation.

Deborah Johnson initially sought my assistance some years ago in relation to her two autistic sons, but she returned late in 1999 when she found that the federal government’s carer allowance, family payments and health care cards were cut off for each of her sons. This was despite the fact that the Johnsons have continued to pay for their sons’ care and are in constant contact with them.

David and Deborah’s sons are aged 16 and 13. They also have a four-year-old daughter who is not affected by autism. Due to their disability, both sons have proved to be physically difficult for the family to deal with, frequently having outbursts and assaulting family members and carers. Their challenging behaviour has meant that there has been no other option for the Johnsons but to place them into care. William is six feet tall and weighs over 15 stone. He has required three adults to restrain him. He went into Yooralla House in March 1999. Centrelink then cut off the carer allowance and he went onto a full disability pension in late April 2000.

Andrew is 13. He is mute, hyperactive and an escapist. He is fully tube-fed, kicks, screams and bites. Until last year, he required a wheelchair with a restraint for some outings or else a body strap. He needs two adults to restrain him. His parents had to build a fully-lined time-out room with reinforced walls and a steel-lined door with an unbreakable observation window with slide bolts. Andrew’s outbursts reached a frequency of five per day and he attacked his four-year-old sister as well as his mother. He has attacked drivers and other passengers while in transit. His behaviour deteriorated and he had to be placed in care in late November 1999. The carer payment was immediately cut off, and also the family payment for Andrew. Initially, the health care cards for both boys were also cut off, which meant significant ongoing payments for medication were not being subsidised.

I realise that the cutting off of payments without further information is now somewhat routine in Centrelink, but it should have been apparent that the Johnsons’ situation was an un-
usual one. It should have been obvious that the extent of Andrew and William Johnson’s dis-
ability was extreme and that extra attention should have been paid to their cases before pay-
ments were cut off.

Andrew will not qualify for a disability pension for over two years and until then his par-
ents are expected to pay for all his costs. They do not receive any payments from the govern-
ment for him. Until William received the disability pension in late April, the Johnsons were
out of pocket by $1,000 per month. Now with just Andrew receiving no financial assistance,
they are out by approximately $300 to $400 per month for him. Also, Will’s pension still
leaves his parents short by $100 per month for his costs.

The federal government carers payment is only made if a disabled child is not out of your
care for over 42 days. Beyond this a parent or primary carer is cut off the payment. It seems
that there is no alternative payment for carers who do not fit this category until their child is
16 and can therefore get the disabled pension. So even though the Johnsons pay additional
costs for their under-16 severely disabled child, they do not qualify for any government assis-
tance. The Johnsons know that their sons, due to their disabilities, are high cost kids. These
costs include medication, gastrostomy equipment and site treatment creams, around $30 to
$40 per month; running costs in Andrew’s shared care house, approximately $100 per month
as the Johnsons top up money which is left at the house to cover his incidentals; special
school fees and other costs, a total of $100 per month; Andrew’s accommodation bill, about
$60 per month; and dental bills, required as Andrew has calculi from tube-feeding and also
overcrowding of his teeth, $900 out of pocket after extras.

Deb Johnson has sought other benefits for Andrew through Centrelink. In particular, an ap-
plication for the special benefit was lodged, but it was denied by Centrelink and rejected again
on appeal by the SSA. The decision referred to section 729 of the Social Security Act, which
allows a person to qualify for the special benefit in circumstances where they can receive no
other benefit and are unable to earn an income due to factors such as their age, mental or
physical disability or domestic circumstances. The guidelines from the Department of Family
and Community Services do not permit Andrew to gain the special benefit, however, because
he remains in care provided by the Department of Human Services. It seems that although the
act, on its face, seems to accommodate those who are in the situation of Andrew Johnson, the
departmental guidelines are unreasonably restrictive.

Despite the fact that it is not simply inconvenient but impossible for their children to live at
domestic due to their violent outbursts, the Johnsons have been advised that the special benefit
cannot be extended to cover the situation of their younger son, Andrew’s behaviour is now so
extreme that he often cannot come home, even for a visit. The Johnsons were advised by
Centrelink that the only other option which would enable Andrew to claim a pension would
be for him to be made a ward of the state. His parents flatly refused to consider this.

Deb tried to gain a response about this matter from the then Minister for Family and Com-
munity Services. She approached Senator Newman’s office in Tasmania directly to ask for a
change in policy that would address the glaring anomaly and create an allowance to defray the
high costs of her severely autistic son. There appeared to be no intention on the part of the
minister to assist the Johnsons in this matter or even to consider their situation as part of the
development of policy for future Centrelink benefits. The Johnsons despair of their situation.
They have appealed decisions made by Centrelink and have been rejected on a number of oc-
casions. They now seek to make the situation a matter which they hope that the minister will
respond to appropriately, since it has been raised in this place.

I call upon the government to take seriously the situation faced by the Johnsons, in par-
ticular, and other families in their position. I hope that it will recognise the financial support
which is still provided by families for the care of severely disabled family members who are in residential care.

**Petrol Prices**

Mr HARDGRAVE (Moreton) (12.47 p.m.)—I am delighted to rise today to acknowledge the Howard government’s decision to revisit the circumstance for so many Australians in regard to the price of fuel. After all, every one of us knows that as a result of the decision of the Organisation of Petroleum Exporting Countries, OPEC, the price of fuel around the world has been at an incredibly high level for most of the last six to eight months. The unfortunate position is that this coincided with the period of time not long after the government changed to the new taxation system, and the Australian Labor Party and motoring groups, who have a vested interest of their own, have decided to use that as an opportunity to try to claim that in some way, shape or form the government was responsible for increasing the bowser price of fuel. Anybody with even a small amount of understanding of the way the fuel taxation system works would realise that that was an absolute nonsense. How could the introduction of changes to our taxation system impact upon the fuel price in beautiful, downtown Edinburgh, where it has been $2.50 a litre for the last six months, and in other parts of the world?

So it is quite good and symbolic, and I am pleased to see the Prime Minister announce it, that the government will make an effort to bring 1.5c a litre off the excise component of fuel. That will be welcomed by everybody. The ACCC is being charged with the responsibility of making sure that that fuel price cut has been passed on and also that the differential of 2c or thereabouts is also being passed on to motorists in the country, where there has been a fuel subsidy scheme operating for the past six or eight months. The most significant development today has been a decision to end the automatic excise increase which the Australian Labor Party introduced in 1984 so that the excise component of fuel prices was ratcheted up in accordance with the CPI, the inflation figure that came out each six months.

It is important to note that 6c was the original fuel excise introduced by the Hawke government when it decided on this automatic indexation procedure in 1984. Over 13 years the excise went up 34c—in other words, from 6c to 40c over the term of the previous Labor government, including a one-off 5c above the inflation rate kick-up in 1993 following the return of the Keating government. The Howard government has been the only government that has, in fact, cut excise. It cut it by over 7c last 1 July. In my own electorate on 1 July the only way you could possibly measure the impact of the new taxation system was to note that the price of fuel actually went down a couple of cents per litre. That is what happened in my electorate.

As far as the impact of the GST was concerned, the excise was dropped to accommodate the impact of the GST after it was introduced. An unnecessary and unfortunate scare campaign has been mounted by the Australian Labor Party, and the conflicting observations made by both the leader and the deputy leader of the opposition in two separate press interviews today—one in Brisbane and one in Canberra—highlight the absolute inconsistency of the Labor Party on this issue.

Now that the federal government has done its bit—and we are not the receivers of the proceeds of the GST, 100 per cent of which goes to the state governments—I call again on the premiers of Australia to match what the federal government has done today and to put their money where their considerable mouths are. B. Both sides of politics moan and groan, but when it comes to the premiers are the GST proceeds, not the Commonwealth government. It is important now that Mr Beazley focuses on influencing the Labor premiers. He can start with Peter Beattie in Queensland, who already has in place an 8.4c a litre subsidy on the bowser price, and get him to increase that to at least 10c a litre, forgoing some of the additional revenue he is getting out of GST and putting it back into the motorists’ pockets to match what the Com-
monwealth has announced today it will be doing. Premier Bob Carr can cut Labor’s high fuel tax in New South Wales by a similar amount, as can the premiers in other states.

I will focus on Queensland. Queensland motorists will not forget that it was Premier Beattie who was shamed into not dropping that fuel subsidy just 14 months ago. Fourteen months ago rort-ridden Beattie wanted to take 8.4c a litre out of motorists’ pockets and drop it into the state government’s coffers. Regardless of what may or may not be the circumstance of politics in Queensland. Peter Beattie knows he wanted to take money in the form of the fuel subsidy out of the motorists’ pockets and introduce a fuel tax. Peter Beattie has got his chance. He can match the Commonwealth’s initiative and match it tomorrow.

**Bendigo Electorate: Welfare and Charitable Organisations**

Mr GIBBONS (Bendigo) (12.52 p.m.)—Last Wednesday I had the privilege to launch some very important computer software in Bendigo that will enable several welfare and charitable organisations to accurately measure the ever-increasing number of people accessing their services. This database has been developed by Mr Ken Marchingo and his team at the Loddon Mallee Housing Services in Bendigo. The agencies that will use the databases are the St Vincent de Paul Society, the Bendigo Uniting Church Outreach and the Salvation Army. I understand another five agencies in the Mildura region have the database provided to them.

Software support and training, as well as a few personal computers, have been provided by the Loddon Mallee Housing Services at no cost to these agencies. The agencies will now be able to consistently collect data on client demographics and service needs, as well as being equipped to design and implement services into the future. The need for primary data is extremely important, as the effectiveness of the federal Emergency Relief Program has been eroded by some 25 per cent in the last five years because the Howard government has made no provision to meet the real CPI increases or the impacts of the GST, which affects just about all services provided by these welfare agencies.

The Howard government’s failure to address the growing needs of disadvantaged people in our community as well as the impacts of the previous Kennett state government’s continual winding back of programs for the poor has made the job of the voluntary agencies all the harder. At this point I would like to acknowledge the outstanding contribution made by volunteers to these agencies that are dedicated to assisting those in need. These volunteers give up their time and, often at their own expense, provide much needed assistance to those who are less fortunate.

The huge increase in assistance to people in great need has been constantly raised locally by the Bendigo media as well as the agencies concerned. It has so far fallen on deaf ears. The Howard government refuses to listen or even understand the plight of people living in poverty throughout regional and country Australia. The Howard government continues to ignore our regions. In fact, the Prime Minister has not visited Bendigo since the last election campaign. Never mind, he did send his ambassador for goodwill and public relations just recently. Yes, last Monday, Bendigo was treated to a unique experience. We actually had a federal minister visit our region. The Minister for Forestry and Conservation was there to open a very important conference on salinity. In his own inevitable style, this minister spent most of his day bagging me and, of course, during this tirade, on one occasion he actually told the truth. He actually stated—as he often does about opposition members—that he had not received one representation or one letter from me during my time as the member for Bendigo. He is right and there are two good reasons for this. Firstly, I have never been asked to do so by anyone even remotely interested in conservation matters. Why? Because they know it would be a waste of time raising any matters of conservation with a minister whose sole qualification to be in the job is that he hates trees. Secondly, I find it very awkward to write letters using words of no more than two syllables so that this minister can actually understand it.
I am sure that the minister only came to Bendigo because he heard that we have a place called One Tree Hill. Obviously, that is a potential paradise for any minister who does not like trees. You can imagine his surprise, and in fact disgust, when he saw that One Tree Hill actually has millions of trees. I do not suppose we will see him in Bendigo again. That is a pity, because I would welcome him into our region as often as he would like to come. If the tirade he unleashed on me is the best he can do, then I know Labor has nothing to fear from this minister. In fact, it was a bit like being attacked by one of the Wiggles.

The previous speaker also made some comments about Mr Howard’s announcement on fuel prices. It seems to me that it was very much a panic-stricken move—1.5c reduction in excise and the abolition of automatic indexation of excise. In a couple of weeks time there will be a very important by-election for the government in the seat of Ryan. I could not think of a worse place for this government to have a by-election than in Queensland at this point of time. Nevertheless, that is what is going to happen.

I also note that some weeks ago Mr Howard made the comment in the media that his antenna was not picking up the need for change in rural Australia. I suggest that the Prime Minister get rid of that old analog system, because that went out some months ago. He should replace it with a new digital system. That way he may not find himself in the situation that he is in now. He has been forced to back down on this issue, specifically because of the Ryan by-election. I am sure we will get the result that we need in the Ryan by-election as we will, indeed, in the federal election some months later.

Petrol Prices

Mr NEVILLE (Hinkler) (12.57 p.m.)—I, too, would like to talk about the removal of the 1.5c petrol excise, which was announced at quarter past 11 this morning. I think this is a marvellous announcement for all the people of Australia, particularly those in regional and rural Australia who depend so much on their vehicles to get to work, to get home from work, to take the kids to the school bus, to bring them home from the bus and to take the kids to sport, ballet or whatever it is. We do not have public transport in the country areas, and we have very little of it in provincial areas. So this is a most welcome announcement. The government did not have a lot of room to move on this, but the 1.5c reduction is very good. I understand that, of the 1.7c it was increased by on 1 February, 0.7c was due to the historical CPI and the other 1c was due to the fuel effect. So the 1.5c not only takes that out but takes that and a bit more out.

The removal of the half-yearly indexation is also very welcome. That was introduced by the Hawke government in 1983. From 1983 until they left office in 1996 they increased the excise by an average of 5.2 per cent a year. Since we have been in power, that has come down to 1.4c or about a quarter. Now, with this announcement today, we even remove the half-yearly indexation. As the Prime Minister says, that will put all governments in future under tremendous discipline with regard to fuel, and it is probably a good thing for the people of Australia that it is so. Another point in the announcement is the enhancement of the powers of the ACCC to stop the games that are being played by the oil companies and to make sure that this 1.5c does flow through to the motorists and, indeed, that the fuel grants scheme, the 1c and 2c scheme in regional Australia, also gets through to the motorists.

Having said all that, we know that the overwhelming problem is the international price of crude oil. That is the thing that drives up the price of petrol—$US1 a barrel equates to about 1c a litre at the bowser. Correspondingly, if the international price comes down the price drops 1c a litre at the bowser after a period of about three or four weeks flowing through the processing system. As well, if the Australian dollar drops a cent against the American dollar, we pay 0.6c a litre more for our fuel. So the government did not have a lot of room to move on this matter. If you spook the markets on a move like this and you then, say, drop the Austra-
lian dollar 2c against the American dollar, you actually increase the price of fuel by 1.2c a litre, and that would negate the value of this decision. So it was a very fine balancing act and I compliment the Prime Minister and the Deputy Prime Minister for listening to the cry from regional and rural Australia. It was particularly so in my electorate, because my electorate depends on this a lot more than most.

I do not think the opposition should take any consolation from their particular circumstances. Over their period in office they increased excise by 500 per cent. Back in 1986, when the international price of crude oil dropped and they could have handed a big gain on to the motorists, Prime Minister Hawke said, ‘Oh, they’re used to paying high prices now; we’ll take half of that as a fortuitous excise.’ That was a dreadful thing to do to motorists. There was no compensation for pensioners, farmers, battlers or family people. They repeated the exercise in 1993, with increases of 5c on unleaded petrol and 7c on leaded petrol. Again, there was nothing for the pensioner, nothing for the battler, nothing for the farmer and nothing for the average motorist. So this is a good announcement, and I think it should be welcomed right across Australia.

I will conclude by saying that all governments have to think of the consequences of these moves on the average Australian. The National Party has been listening at its heartland. We have heard what was said in Western Australia and in Queensland. We have been out in western New South Wales on an outreach in the last week, and the message is clear. We have heard that message and we have delivered on it. I think this is a great day for the motorists of Australia.

Question resolved in the affirmative.

Main Committee adjourned at 1.03 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Prospect Electorate: Centrelink Guideline Breaches**
*(Question No. 2185)*

Mrs Crosio asked the Minister representing the Minister for Family and Community Services, upon notice, on 28 November 2000:

1. How many persons within the electoral division of Prospect were penalised for breaches of Centrelink guidelines in (a) 1998, (b) 1999 and (c) 2000.
2. How many persons within the electoral division of Prospect were penalised more than once in (a) 1998, (b) 1999 and (c) 2000.
3. What is the total sum of money received through penalties of welfare recipients living in the electoral division of Prospect in (a) 1998, (b) 1999 and (c) 2000.

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

1. Data on the number of people breached is not readily available. Data on the number of breaches imposed has been provided below (note, some people may incur more than one breach in a year). This data is not available by electorate division; data provided below is for the aggregate of the following Centrelink Customer Service Centres: Cabramatta, Fairfield, Liverpool, Blacktown, Merrylands, Mount Druitt, Parramatta.

   (a) Data prior to October 1998 is not readily available. Between October 1998 and December 1998, 1,736 breaches were imposed; made up of 1,337 activity test breaches and 399 administrative breaches.

   (b) In 1999, 11,713 breaches were imposed; made up of 7,607 activity test breaches and 4,106 administrative breaches.

   (c) Data for December 2000 is not currently available. Between January 2000 and November 2000, 22,092 breaches were imposed; made up of 14,346 activity test breaches and 7,746 administrative breaches.

2. Data on the number of people penalised more than once in a year is not readily available.
3. Information required to answer this question is not available at the level requested. Savings are currently only calculated on a national level.

**Aviation: East Timor**
*(Question No. 2258)*

Mr Rudd asked the Minister for Foreign Affairs, upon notice, on 6 February 2001:

1. Is he able to say what is the current frequency of civil aviation links between Australia and East Timor.
2. To what extent has the frequency changed in the last 6 months.
3. Are changes proposed in the frequency of flights over the coming six months.

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

1. Airmouth currently operates 19 flights per week between Darwin and Dili. Ansett International has approval from the Department of Transport and Regional Services to sell seats on these flights which carry the flight numbers of both airlines. From time to time, Airmouth may operate supplementary flights when demand requires, approval for which will be expedited when necessary by the Department of Transport and Regional Services.

2. In addition to the above Airmouth/Ansett International flights, Qantas, using aircraft operated by Airlink, operated 14 flights per week until 31 January, when it ceased these services.
(3) Airnorth has approval to operate up to 19 flights per week. It is a matter for Airnorth to determine the frequency and times of operation of its services. From time to time, Airnorth may operate supplementary flights when demand requires, approval for which will be expedited when necessary by the Department of Transport and Regional Services.

**Immigration: Maribyrnong Detention Centre**  
*(Question No. 2283)*

Mr Martin Ferguson asked the Minister for Immigration and Multicultural Affairs, upon notice, on 6 February 2001:

1. Did a detainee die at the Maribyrnong Immigration Detention Centre on or about 22 December 2000; if so, (a) how long had he been in Australia, (b) on what type of visa did he enter Australia, (c) when did his visa expire, (d) how long had he been in Australia illegally and (e) how and when did his Department locate him.

2. During the course of the person’s illegal period in Australia, including when detained in the Detention Centre, did he make any applications to remain in Australia.

3. Is there any evidence that the person worked during the period of illegal stay in Australia; if so, who were his employers.

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

1. Yes, Mr Viliami Tanginoa a 52 year old Tongan national died at Maribyrnong Immigration Detention Centre on 22 December 2000. Mr Tanginoa was scheduled for removal from Australia that day and in an attempt to prevent his removal he climbed a basket ball pole, and subsequently died. The Victorian Coroner is currently investigating the circumstances surrounding his death.
   
   (a) Mr Tanginoa had been in Australia since 30 April 1983.
   
   (b) Mr Tanginoa entered Australia on a V 12 Visitor visa and was granted a stay on arrival of six months.
   
   (c) Mr Tanginoa did not depart Australia on the expiry of his stay on 30 October 1983. There is no record of an approach to any Department of Immigration and Multicultural Affairs (DIMA) office to seek further legal stay until October 1994.
   
   (d) Mr Tanginoa was in Australia unlawfully from the expiry of his V12 Visitor visa on 30 October 1983 until he lodged an application for a Protection Visa on 28 October 1994. His application was refused at primary level on 30 March 1995. He did not seek review of the decision and subsequently became unlawful again.
   
   (e) Mr Tanginoa was located by Swan Hill police in Victoria on 20 August 2000, following information they had received in relation to his unlawful status. He was subsequently transferred to immigration detention.

2. On 28 October 1994 Mr Tanginoa applied for a Protection Visa (866) at the Sydney office of my Department. He was granted a bridging visa C and permission to work on 13 March 1995. The application was refused on 30 March 1995 and written advice of the decision posted on that date was returned addressee unknown. Mr Tanginoa did not lodge an application for a review of this decision and did not depart Australia.

No further contact with Mr Tanginoa is recorded until 20 August 2000 when Victorian Swan Hill Police advised they had detained Mr Tanginoa.

On 6 September 2000 Mr Tanginoa lodged a Bridging E visa application whilst in immigration detention. The delegate refused the application on 7 September 2000. He appealed this decision to the Migration Review Tribunal (MRT) and the MRT affirmed this decision on 18 September 2000.

3. While in Australia Mr Tanginoa advised DIMA staff that he had worked at a variety of factory jobs, as a metal worker and most recently at a fruit shop in Marrickville. He stated he left his employment in May 2000 to visit his son in Mildura. No details regarding employers were provided.
Passenger Movement Charge
(Question No. 2285)

Mr Martin Ferguson asked Minister representing the Minister Justice and Customs, upon notice, on 6 February 2001.

(1) When was the Passenger Movement Charge (PMC) introduced, what was the original amount, when has it been increased and by what sum.

(2) Was the original justification for the charge to recover cost relating to customs, immigration and quarantine processing of international passengers and recovery of the costs of issuing short-term visas; if not, what was the justification for the charge.

(3) For each financial year since the PMC was introduced, what sum has been collected and what were the costs of providing services for which the PMC was introduced.

(4) Is the Minister able to say on what basis the Australian National Audit Office Report No. 12 (2000) stated at page 13 that the PMC is now applied partly as a general revenue raising source and is no longer solely linked to a cost recovery of customs, immigration and quarantine services.

(5) If the PMC now collects more in revenue that the costs of services delivered as originally intended, will the Government freeze the charge until the cost of the service provided exceeds revenue collected for the service by the PMC.

Mr Williams—The Minister for Justice and Customs has provided the following answer to the honourable member’s question:

(1) The PMC was introduced on 1 January 1995. The charge was originally $27 for all liable passengers and was increased to $30 effective 1 January 1999 as a result of an increase announced in the 1998/99 Budget.

(2) The PMC was designed to cover the cost of Customs, Immigration and Quarantine processing and the cost of issuing short-term visitor visas.

(3) This question was answered in the response to Question on Notice No. 1996 on 27 November 2000 and No. 1997 on 6 December 2000. The answer to No. 1997 related to Customs costs only. Quarantine and Immigration provided answers on 7 November 2000 and 4 December 2000 respectively.

(4) No.

(5) The monies collected under this Charge go to the Consolidated Revenue Fund. As this is a revenue-related decision, other Ministers have prime responsibility for deciding whether existing arrangements should be reviewed. I am not considering any proposal to change these arrangements.

Department of Immigration and Multicultural Affairs: Australasian Correctional Management Contract
(Question No. 2299)

Dr Theophanous asked the Minister for Immigration and Multicultural Affairs, upon notice, on 6 February 2001:

Has his Department renewed the contract of Australasian Correctional Management as the private contractor managing Australia’s Immigration Reception Centres; if not, is his Department accepting tenders from other enterprises to take over this important responsibility.

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

No.

The contracts for the provision of detention services at the various reception centres are with Australasian Correctional Services Pty Limited (ACS). ACS has sub-contracted with Australasian Correctional Management to manage the facilities on a day to day basis.

The contract with ACS for the provision of services at Villawood, Port Hedland, Maribyrnong and Perth commenced in late 1997 and the initial term expired on 21 December 2000.

This contract has not been renewed. The Department has negotiated an extension of the contract to 21 December 2001. This extension is to allow the Department to comply with its obligations relating to negotiations for a further term as required under the contract.
The Department is negotiating with ACS on an offer it submitted for the provision of detention services for a further term of three years. This offer will be evaluated.

The contracts with ACS for the provision of detention services at Woomera and Curtin currently expire on 21 December 2001 and 18 September respectively.

The Department is also currently considering an offer from ACS for the provision of detention services at Woomera for a further three year term.

The department is not in a position to consider any other tenders until it has completed negotiations with ACS. If the ACS offer is not accepted, the department would then formally go to the market.

**Child Support Agency: Maintenance Arrears**

*(Question No. 2302)*

**Mr Andren** asked the Minister representing the Minister for Family and Community Services, upon notice, on 6 February 2001:

1. Did the Commonwealth Ombudsman’s 1993-94 annual report state that the most complained about Child Support Agency (CSA) issue was CSA’s failure to collect maintenance or recover arrears.

2. Given that in 1994, 97 500 child support payers had failed to meet their child support obligations and by June 1999 that had increased to 334 892 payers with outstanding child support liabilities, what steps is the Government taking to reverse this rapid increase.

3. Given the many cases where custodial parents are owed substantial child support, while the wealthy non-custodial parents hide their wealth in company structures, how can the Government ensure that non-custodial parents will be forced to pay their child support liabilities within a reasonable time.

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

1. The Commonwealth Ombudsman’s 1993-94 annual report stated that the most common complaint issue raised by payees was in relation to CSA’s failure to collect maintenance or recover arrears. At the same time the Ombudsman’s report stated ‘By contrast, payers (non-custodial parents) complained most often about the CSA’s allegedly unreasonable actions in collecting maintenance and recovering arrears.”

2. The figure quoted (334 892) does not represent payers with outstanding debt. This figure represents the total number of cases with a child support liability of more than the minimum $260 pa. In fact, 84.1% of these payers met 70% or more of their child support liability. 87.2% of liabilities registered with the CSA for collection since 1988 have been met.

3. To address income minimisation, this Government introduced legislation that adds back rental property losses, foreign exempt income and employer provided fringe benefits before calculating child support liability. It also gave the CSA the power to change the child support assessment where the parent had minimised their taxable income. The wide range of powers available for collection of child support is generally effective, and tougher powers are not necessary.