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

PERSONAL EXPLANATIONS

Mr TIM FISCHER (Farrer) (9.31 a.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr TIM FISCHER—Yes.

Mr Speaker—Please proceed.

Mr TIM FISCHER—Yesterday and elsewhere a comment and allegation has been made that I attended a cocktail party in Beijing in January and made a formal announcement in respect of the Olympic bid 2008. I simply want to say that, yes, I went to Beijing in January. I did not attend any cocktail parties. I made no formal announcement on behalf of the Australian Olympic Committee or any other entity. I remain in support of the Beijing bid on merit, but that is of course me on a personal basis, and as the member for Farrer, for that matter. I regret that the member for Melbourne Ports has continued with one aspect of that, and I hope that he will accept this correction.

CRIMES AMENDMENT (AGE DETERMINATION) BILL 2001

First Reading

Bill presented by Dr Stone, for Mr Williams, and read a first time.

Second Reading

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (9.32 a.m.)—I move:

That the bill be now read a second time.

This bill contains important measures to provide for a person to be tested with prescribed equipment—for example, an X-ray—to determine their age, where it is not possible or practicable to determine age by other means.

The measures are strictly identification procedures—specifically, powers to conduct wrist X-rays to determine the age of a suspect or defendant. Consequently, it is proposed to insert the amendments into part IAA of the Crimes Act, which already contains provisions relating to the taking of identification material—such as fingerprints, photographs, recordings, and samples of handwriting. These measures only apply to suspected Commonwealth offenders—for example, someone involved in illegal fishing or people smuggling.

The bill meets two required outcomes:

1. determining a suspect’s age at the outset or during the course of an investigation; and
2. resolving doubt as to a defendant’s age that arises during court proceedings.

It is important to determine a person’s age, particularly if they are juveniles, so that their interests can be properly safeguarded throughout the investigatory stage and subsequent criminal proceedings. The question of whether a suspected offender is an adult or juvenile impacts upon many areas of the criminal justice process, including:

1. the lawful arrest of a suspect;
2. the lawful questioning and interviewing of a suspect;
3. the rights to which a suspect is entitled;
4. the decision to institute criminal proceedings against a suspect;
5. the admissibility of resulting evidence;
6. for sentencing purposes; and perhaps most importantly
7. the safe detention of a suspect.

Because such important considerations are at stake, the government is right to take its obligations in this area very seriously.

Determining the age of a suspect is particularly important in relation to people smuggling offences, where foreign nationals—such as the crew on a vessel containing suspected unlawful non-citizens—refuse to provide details of their age, or make false claims that they are under 18 years old and there is no documentation or means to prove otherwise.

Existing provisions are inadequate for this purpose.
Previously, reliance was placed on section 258 of the Migration Act 1958 which provides that where a person is in immigration detention an authorised officer can do anything reasonably necessary to photograph or measure the person for identification purposes. X-rays were used as an identification procedure in many cases, and the results employed as evidence of the suspect’s age. However, in R v. Hatim, Kadir and Others (2000) NTSC 53, a case decided late last year, Justice Thomas of the Northern Territory Supreme Court held that section 258 did not authorise the use of an X-ray. This ruling was confirmed in a subsequent case. In any case, there are cases where the necessary prerequisites for employing section 258 do not apply—for example, a suspect is not in immigration detention or an X-ray is not necessary to determine their identity.

Part 1D of the Crimes Act 1914 makes provision for obtaining evidence to confirm or disprove that a suspect has committed a relevant offence. In most cases, evidence of age is only relevant for the purpose of determining whether a defendant should be dealt with according to legislative provisions applicable to persons under the age of 18. No express provision is made in the Crimes Act for the use of equipment to determine the age of a person.

Therefore, there is currently no means of determining a person’s age in circumstances where no documentation is accessible. This is entirely unsatisfactory. Bringing certainty to this critical question will be achieved by this bill, which fairly balances the public interest in equipping law enforcement with the means to determine age so that, among other things, adults will be detained separately from juveniles, against the competing interest of upholding a person’s physical integrity.

The age determination powers contained in the bill will send a strong message to those engaged in people smuggling that they cannot circumvent or abuse the Australian legal system by deceptively claiming they are under 18 years old. It will also avoid the undesirable situation of placing adult suspects in juvenile detention facilities or vice versa.

The proposed amendment will contain appropriate safeguards consistent with those applicable to identification and forensic procedures in section 3ZJ and part 1D of the Crimes Act. Criminal sanctions along the lines of existing provisions in part 1D, which carry maximum penalties of two years imprisonment, will deter unauthorised disclosures of age determination information. The bill is predicated on informed consent—use of the prescribed equipment for investigation and related purposes will only be permitted where the informed written consent of both the detained person and an appropriate adult has been obtained; or by order of a magistrate. During trial, a court would be able to order the use of prescribed equipment, which would normally be an X-ray machine. In either case, the use of equipment will be explained to the person in a language in which the person has reasonable fluency.

The bill demonstrates the government’s commitment to ensuring young persons are appropriately treated by the criminal justice process and not subjected to procedures or standards applicable to adults. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Bevis) adjourned.

ELECTORAL AND REFERENDUM AMENDMENT BILL (No. 1) 2001
First Reading
Bill presented by Mr Slipper, and read a first time.

Second Reading
Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.39 a.m.)—I move:

That the bill be now read a second time.

This bill contains technical amendments to the Commonwealth Electoral Act 1918 (the Electoral Act) and the Referendum (Machinery Provisions) Act 1984 arising from the government supported recommendations of the Joint Standing Committee on Electoral Matters’ (JSCEM) report entitled ‘The 1998 Federal Election’.
The government response to the JSCEM report was tabled on 1 March 2001.

The most notable amendments include those which will:

- allow persons who are enrolling or voting from overseas to provide a certified copy of particular sections of their current passport as verification of their identity in the case where they cannot find an authorised witness;
- provide that Divisional Returning Officers (DROs) and Australian Electoral Officers (AEOs) may reject applications for enrolment from persons who have changed their names to something ‘inappropriate’—that is, fictitious, frivolous, offensive, obscene or assumed for an ulterior purpose—including those which are designed to bring the electoral system into disrepute or which may undermine the respect for and community standing of government departments and agencies, such as the Family Court, or well known private organisations and businesses, such as registered political parties. However, there will be appeal rights against a decision to reject such a name;
- allow for the provision of electronic lists of postal vote applicants to candidates and registered political parties following a general election and to members of the House of Representatives (HOR), Senators and registered political parties following a referendum held separately to a general election;
- allow for the amendment or withdrawal of a Group Voting Ticket (GVT) or Individual Voting Ticket (IVT) statement up until the closing time for lodgement of such statements;
- provide that Senate nomination deposits are to be returned to the person who paid the deposit;
- allow, prior to the close of nominations, for the substitution of a candidate in a bulk nomination, where a candidate who was part of that bulk nomination withdraws their consent, or dies prior to the close of nominations;
- provide that where a person has cast multiple declaration votes, and these are detected at the preliminary scrutiny, that only one of the votes will be admitted to the further scrutiny;
- provide that all ballot papers are to be initialled in a circle placed on the front top of the ballot paper;
- allow for the display of GVT and IVT information in pamphlet form as well as in poster form;
- provide that the registered abbreviation of a political party name may be only an acronym or a shortened version of the party name; and
- provide the Australian Electoral Commission (AEC) with a power to review the continuing eligibility of registered political parties.

It should be noted that these amendments are technical in nature and the recommendations upon which they are based were supported by all members of the JSCEM. Accordingly, I would hope that the bill will be given a timely passage.

This will allow the AEC sufficient time to implement the amendments prior to the next federal election.

The ‘reform’ measures arising from the government supported recommendations of the JSCEM report will be included in another bill to be introduced at a later stage.

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

Debate (on motion by Mr Bevis) adjourned.

WORKPLACE RELATIONS AMENDMENT (TALLIES AND PICNIC DAYS) BILL 2000

[WORKPLACE RELATIONS AMENDMENT (TALLIES) BILL 2000]

Consideration of Senate Message

Consideration resumed from 5 March.

Senate’s amendments—
(1) Title, page 1 (line 2), omit “and picnic days”.

(2) Clause 1, page 1 (line 7), omit “and Picnic Days”.

(3) Clause 2, page 1 (lines 9 and 10), omit “a day to be fixed by Proclamation”, substitute “the day on which it receives the Royal Assent”.

(4) Clause 2, page 1 (line 11) to page 2 (line 2), omit subclause (2), substitute:

(2) Item 1 of Schedule 1 commences 12 months after the day on which this Act receives the Royal Assent.

(5) Schedule 1, page 3 (line 2) to page 10 (line 18), omit the Schedule, substitute:

Schedule 1—Tallies

Workplace Relations Act 1996

1 Paragraph 89A(2)(d)

Omit “, tallies”.

2 At the beginning of paragraph 89A(2)(d)

Insert “incentive-based payments (other than tallies in the meat industry)”.

3 After section 89A

Insert:

89B Review of certain awards

(1) Within 12 months after this section commences, the Commission must review all awards containing clauses that provide for, or regulate, tallies in the meat industry and, after considering appropriate alternatives, may vary an award to remove such clauses.

(2) Any clause that provides for, or regulates, tallies in the meat industry that is contained in an award ceases to have effect at the end of 12 months after this section commences.

(3) After the end of the period of time mentioned in subsection (2), the Commission may vary any award to remove any clauses that have ceased to have effect because of subsection (2).

(4) If the Commission varies an award under subsection (1) or (3), it must include in the award provisions that ensure that overall entitlements to pay provided by the award are not reduced by that variation, unless the Commission considers that it would be in the public interest not to include such provisions.

Mr ABBOTT (Warringah—Minister for Employment Services) (9.43 a.m.)—I move:

That the amendments be agreed to.

Under a tally system, workers were paid overtime rates once a certain amount of work had been performed. I am advised that what that meant was a ‘two speed’ day in the meat industry—very fast work in the morning and quite slow work in the afternoon to clock up as much overtime as possible. In 1999 a full bench of the Industrial Relations Commission found that award tally provisions were replete with matters of detail or process more appropriately dealt with by agreement at the workplace or enterprise level, that they restricted or hindered the efficient performance of work, that they were not expressed in plain English and that they were obsolete. Prior to the simplification of a very important meat industry award, the tally pay system was an appendix of no fewer than 47 pages.

As a result of the amendments passed by the Senate, at the end of the transitional period proposed by this bill award matters will be able to include incentive based payments other than tallies in the meat industry, piece rates and bonuses. I think that for our nation this is a modest but worthwhile legislative advance. For the meat industry, it is a significant development. I thank the Senate for its hard work on this bill. I am disappointed that the Democrats have been the subject of some unnecessary blackguarding in the course of the debate in the Senate. I believe that the Democrats have played an honourable role in this. I think this is an important, worthwhile legislative advance and I commend it to the House.

Mr BEVIS (Brisbane) (9.45 a.m.)—The best thing that can be said about this bill in its amended form now before the parliament is that half of the government’s original bill has been deleted by the Senate. That is, in fact, the best feature of what we are now considering. The bill was originally proposed by the government to abolish union picnic days and to legislatively remove tallies from
all awards. That demonstrates the government’s grasp of the big picture issues in industrial relations and our national economy as we move into the 21st century. Of all of the problems confronting workers and businesses today, of all of the legislation the government has backlogged in the Senate—and there is a long list of it—the one bill that the government wants to push through is the big ticket item of union picnic days and tallies. How out of touch has this government become when it singles out this matter as the issue of high policy that the parliament should devote its time to. Amongst all of the other industrial relations matters, this has pre-eminence before all. This is high farce. This has all the feel of pages from Alice in Wonderland. It is surreal that the parliament is now having this debate, and that we should devote our time to this.

I refer to a few other issues that the government might have focused on had it wanted to address the real concerns of the Australian people. I refer to the startling information from the Australian Bureau of Statistics looking at what life is like for ordinary Australian low income families. These are people whose principal income is wages. These are not people whose principal income is the social welfare system. These are people who rely on their weekly wage. They pay tax as they go. They do not have any opportunities to evade their obligation.

We know from the most recent ABS statistics that, of those 800,000 low paid working households, 30,000 of them went without meals because they did not have enough money; 30,000 could not afford to heat their homes because they did not have enough money; 22,000 sought assistance from welfare and community organisation because of lack of money; 41,000 sold or pawned something because they needed the cash; 220,000 said that their standard of living is worse now than it was two years ago; nearly 285,000 cannot afford a holiday away from home for one week a year, which is something that no-one in this House would endure—in fact, none of these things are matters that people in this House would endure—and 212,000 said they could not raise $2,000 in an emergency. If there was a crisis that required money, whether it be for maintenance of the house, the car or health, they could not put together $2,000 in case of emergency.

A staggering 166,000 households cannot even pay their utility bills—their electricity, their water, their sewerage, their telephone. These people are not on social security; these are the working poor of Australia. A total of 119,000 could not afford a special meal once a week—pizza, fish and chips or a meal at the tavern. That is not on the agenda for 119,000 working families. A total of 115,000 buy second-hand clothes because they cannot afford new ones. These are not the chic upmarket folk: these are not the people who do it because it is stylish to have worn-out jeans. In 115,000 households they do not have an option. A total of 48,000 said they could not afford to have family or friends around for a meal once a month. That is the lifestyle of too many of Australia’s working poor, and the big ticket item this government wants to pursue in the parliament today is tallies—to take away something that is currently in the legislation.

I want to refer in some detail to the situation of tallies. I am pleased that the Senate has stripped the bill of its efforts to remove picnic days from awards. I do not need to spend time on that, but I would commend to those interested in the topic the debates in the Senate and particularly the Senate committee report and the Senate committee hearings on that matter. Turning specifically to the issue of tallies, I invite the minister to give us a definition now in the parliament of what he understands to be a tally. When we proscribe them—as he wishes to do in this legislation—and tell the commission that they are not allowed to deal with tallies, he should now put on the record what he understands to be a tally. Our fundamental problem is that we do not know where this ends up and I do not think the minister does either.

Mr ABBOTT (Warringah—Minister for Employment Services) (9.51 a.m.)—Obviously I deeply regret the kinds of social problems which the member for Brisbane
has just alluded to, but I would respectfully point out to him that I dare say most of these problems were just as bad, if not worse, in 1995 when members opposite were in government. Certainly, wages have gone up quite significantly under this government. Average weekly earnings are up by 12 per cent in real terms and basic award earnings are up by nine per cent in real terms. The social wage—much beloved of members opposite—has increased very dramatically as well, particularly as a result of the new tax system. Unfortunately, no parliament—no government on God’s earth—is going to abolish human weakness. What we must try to do is to build a better world, accepting that it is never going to be perfect this side of eternity.

The member for Brisbane chided the government for all the various industrial issues in contention around our nation today, focusing on the particular question of tallies in the meat industry, but I am sure the member for Brisbane has not forgotten that we tried a big bang approach earlier in the life of this parliament. It did not work. So we are now adopting a step-by-step approach. We believe in taking small but significant and appreciable steps towards a better industrial system and towards a better country. On the specific matter that the member for Brisbane raised at the close of his comments, the legislation will read as it will read after this bill is passed, and it will be up to the Industrial Relations Commission to put the legislation into practice.

Mr Bevis (Brisbane) (9.53 a.m.)—I noticed the Minister for Employment, Workplace Relations and Small Business did not use his five minutes, so I might just restate the question to him and give him the opportunity to again explain to the parliament what the tally system is that we are abolishing. I am rather amused at his proposition that we are leaving to the commission the interpretation of this system, because, as he well knows, the commission has already made a decision about this and his government has decided that that is not good enough, which is why this legislation has been introduced. In spite of what the minister said, the government does not want the commission to make its decision on this. I will say something about that. But, given that the government does not want the commission to deal with this matter—that is the whole purpose of the remainder of the bill that we are debating; it is no longer on picnics but just on tallies—I think it is incumbent on the government and the minister at the table to put on the record a clear definition and construction of tallies, because we are setting them apart from all other forms of incentive payments. If the government is not able to define that, the only sensible thing—not to mention the honourable thing—is for the government to withdraw this bill until it can come up with that answer.

Mr Speaker—The question is that the amendments be agreed to. All those of that opinion say—

Mr Bevis—I will speak then. I sat down—

Mr Speaker—I have not as yet recognised the member for Brisbane.

Mr Bevis—I seek the call then.

Mr Speaker—I will grant the member for Brisbane the call, but by the skin of his teeth because the question was about to be put.

Mr Bevis (Brisbane) (9.54 a.m.)—Mr Speaker, I had resumed my seat in the expectation that, in the normal course of these matters being discussed in detail in five-minute exchanges, the Minister for Employment, Workplace Relations and Small Business would stand and explain what tallies are; what it is that the government wants to stop happening. I would have thought that was a fair expectation for me to have in the parliament. The minister—the record should show—has declined now twice to answer that question and, indeed, on the last occasion declined to make any comment, merely precipitating the end of the debate. So let me assist the minister, and my doing that might help explain why the opposition does not support this move by the government.
The minister said that these matters would be interpreted by the commission and should be left to them. The commission has already made its decision. It made its decision in 1999, unequivocally. In a decision specifically about the meat industry, it determined that the tally system then in place would be abolished and required the parties to go away and come back with a replacement system that embodied better incentive payment arrangements. That was the decision that was taken. Indeed, the expectation I believe of the parties is that some time in the course of the next two or three months that matter will be finalised by the Industrial Relations Commission. So, if we do nothing as a parliament, all tallies will be removed—the commission already decided that in 1999—and a new system will be put in its place. That will happen if the parliament does nothing. So it is a legitimate question to ask of the government: why are you persisting with this bill when the only thing it now deals with is tallies in the meat industry?

My question was not a rhetorical question. This is a serious issue that the government has simply glossed over. What is a tally? If we are going to proscribe it by law—it will not just be the commission dealing with this legislation; you can bet your bottom dollar that this will find its way into the federal courts, and I would not mind betting that it finds its way into the High Court somewhere down the track—what is it that we are saying cannot be included in a meat industry award? The Productivity Commission, when it looked at tallies—and this was its report in 1998 that the government used as the lever to try to force tallies out—said:

There are two forms of tally—head tallies and unit tallies. Head tallies are simpler, and usually specify the number of heads that equate to minimum and maximum tally. Unit tallies are more complex, and are calculated according to a formula which takes into account the number, size and condition of animals, the size of a work team, and a prescribed amount of labour input per head.

The mumbo jumbo of that is that you basically get paid according to how many beasts are slaughtered. That is, if you like, a shorthand version of it. That is not too dissimilar to what the Industrial Relations Commission itself said. This issue is not a straightforward one. The Industrial Relations Commission actually produced a background paper on it, which it distributed in September 1999 at the time it made its full bench decision. The paper had a section that said ‘What is a tally?’ and described it in these words:

A tally is one form of the more general case of payment by result systems of work.

You might ask yourself: what is the difference between a ‘payment by result’, a ‘tally’—which, remember, is defined as the number of beasts that have gone through—or an ‘incentive scheme’ where clearly the incentive is based on some count of beasts going through the abattoir?

The commission may well be able, on a case-by-case analysis of the facts before it, to distinguish between these things. They may look at particular awards and the history of those awards and surgically discern one from the other. But I put it to the parliament that it is folly for the parliament to blankly exclude things called tallies, as this bill does, when the minister cannot give us a definition, when the definition provided by the government’s own Productivity Commission is comparable but not the same as the Industrial Relations Commission’s definition and when, in a lay person’s terms, the three definitions are basically interchangeable. Whether you call it ‘incentive payments’, whether you call it ‘payment by performance’, whether you call it a ‘tally system’ or whether you call it ‘payment by results’, the common interpretation of all of those phrases is basically interchangeable. 

Mr ABBOTT (Warringah—Minister for Employment Services) (9.59 a.m.)—I do not wish to unduly prolong this debate on the Workplace Relations Amendment (Tallies and Picnic Days) Bill 2000, but I want to do my best to satisfy the member for Brisbane. As I said, in the meat industry, tally systems were such that workers were paid overtime rates once a certain amount of work had been done. I am advised that what would typically happen would be that workers would work very quickly in the morning under the tally...
The rhetorical nature of the question of the member for Brisbane was well revealed by what he then went on to say. Yes, we could leave this matter entirely in the hands of the commission. As the member for Brisbane pointed out, the commission did remove tallies from the main meat industry award. The fact is that award simplification is quite a slow process—a disappointingly slow process in many respects. Under the bill, as passed by the Senate and as I trust to be passed by this House and the parliament, tallies will be gone within 12 months.

Mr BEVIS (Brisbane) (10.01 a.m.)—We still do not have a definition from the government, I note, but, on the question of how long it takes for these matters to proceed, the amendment to the Workplace Relations Amendment (Tallies and Picnic Days) Bill 2000 which the government is now supporting—the Senate amendment—says that this will happen over the course of the next 12 months. Unless the Minister for Employment, Workplace Relations and Small Business has information I do not have, my understanding is that the commission intends that this be done within the next three months, not 12 months. This matter will be dealt with by the commission long before the date set by this bill—long before it. There is no issue of time delay that this bill addresses. If the minister wants to address that, he should amend the bill to require the commission to do it within the next few weeks. Then he could at least argue that point. It would be a stupid thing to do, but he could at least argue that point. We have a stupid piece of legislation being supported by stupid arguments.

The fact is—and the minister has acknowledged it: he cannot do anything else; it is on the record—that the commission has already decided that these provisions in the meat industry are to be removed. When we were debating the mojo legislation in this parliament in 1999, it was just after that full bench decision. This issue was raised during the course of that debate. The minister at the time, Mr Reith, referred to that and attacked the Labor Party. Hansard of 29 September records him as saying:

Why would you—

that is, why would the Labor Party—

want to keep them in unless you are in favour of keeping them? Isn’t that your position?

I interjected:

We might be in favour of letting the commission do its job.

The minister, Mr Reith, then said:

It has ... done its job ... it said, ‘Tallies are going’ ...

And he was right. The commission has done its job. He was right in 1999; the commission did say it was going. This has nothing to do with good governance—nothing at all. What we are witnessing now is a desperate effort on the part of the new minister to get any legislation through the parliament. Frankly, it does not much matter as long as he can put a notch on the wall that will be one notch better than his predecessor got in this parliament, even if it happens to be a piece of legislation that is of no consequence and which has already been dealt with. We will go through this charade and they will use their numbers to put through a stupid law that is unnecessary. I guess the unnecessary part is not as big a problem as the stupid part, but it is stupid.

I was referring to the definitional problem a moment ago. It is a serious issue. The government wished the law to say—and thankfully, because of the amendments, it is at least restricted to the meat industry—that you can have incentive based payments other than tallies. The question remains: what constitutes an incentive based payment other than tallies? More importantly, what constitutes a tally? If you have an incentive scheme which includes in it some head count of beasts through the abattoir, is that a tally? No-one in this debate—in this parliament or, frankly, outside it in the union movement, in the employer ranks or in the commission—is arguing that the old tally system should be kept. No-one is arguing that. The minister’s reference to the old tally system is a nice piece of history that is in his briefing notes.
but is totally irrelevant to the current circumstance.

This is not a debate about the old tally system. The commission said that system has gone, and it has. This is a debate about the sense of the parliament putting into law something that says you are not allowed in the meat industry to have anything called a tally, when the government cannot define what a tally is. The sensible course is to let the commission go about its work. The amendments at least reduce this folly to one industry. In its original form, you would have created havoc in any industry in any award. At least it is now confined to one industry. But why force that error onto an industry—why put them at that potential risk—when there is no reason? I want to hear—and there has been none of it in the debate yet—what the need is for this legislation. In none of his contributions has the minister said why we need to do this. We have heard about the history of the old system. The minister has actually acknowledged that the commission is getting rid of the system anyway. Nowhere have we heard why it needs to be done now, other than, he has said, to do it quickly. As I have already pointed out, the commission will have this completed in the next few months, long before the minister’s law says they should do it. So what is the purpose and what is the agenda if not for him to notch up on his wall one little victory at the expense of good governance and good law? (Extension of time granted)

I am saddened that, through the course of the debate this morning, the minister has declined the opportunity of my invitation and requests to him that he actually explain a few of these key things in the parliament. If these matters do sadly end up being debated in courts down the track and there is no guidance from looking at the minister’s second reading speech or comments in this place. So that will be a feast for the lawyers and at the end of the day there will be a piece of bad law that will go to line the pockets of the legal fraternity and do nothing to help those who run abattoirs or those who work in them.

We opposed this bill when it was originally here. We have been successful in the Senate in removing most of the provisions from it. We are now left with something that in the case of the Democrats is in fact well intentioned and in the case of the government may well be well intentioned, but in both cases is wrongheaded. They are making a mistake and the real sadness of this is that this government is making the mistake for the most base of reasons. There is no important public policy in this, and we are going to create problems for workers and employers’ problems that they did not ask this government to pursue. The fact is that the industry is looking forward to the commission’s decision. The matter is well in hand. All we are doing is complicating it by putting this legislation through, and the minister should understand that. If he gets it through the parliament, he should hold up the signature of the Governor-General, not let it get royal assent and at least let commonsense prevail. Have a half-notch on the wall and have half a bit of commonsense, because that is what the situation requires. I think people have painted themselves into a corner from which they cannot retreat. That is unfortunate. This is not good law.

Let me make this clear in conclusion: this debate is not about the old system of tallies; we are not debating the retention of those and never have in this debate, going back to 1999. That has never been our position. As I made clear in 1999 to the former minister, our position has been that the commission should be allowed to do its work, and it seemed to us that it was doing a fine job of it. Now, as it is about to conclude that work, the government wants to ride roughshod over it and issue it with instructions—a peculiar stance for a government that says it wants workers and employees to negotiate their own conditions without the interference of third parties. In this debate the big third party that is intervening is sitting on the other side of the table from me. It is the government: it is intervening contrary to all their normal mantras and in the process is making a mess of it. We will oppose this bill and hope that
the government has the good sense not to actually give it royal assent.

Question put:
That the amendments be agreed to.

The House divided. [10.13 a.m.]

(Mr Deputy Speaker—Mr H.A. Jenkins)

Ayes…………. 73
Noes………….. 59

Majority……… 14

**AYES**

Abbott, A.J. Anderson, J.D.
Andrews, K.J. Anthony, L.J.
Bailey, F.E. Baird, B.G.
Barresi, P.A. Bartlett, K.J.
Billson, B.F. Bishop, B.K.
Bishop, J.I. Brough, M.T.
Cadman, A.G. Cameron, R.A.
Causley, I.R. Charles, R.E.
Downer, A.J.G. Draper, P.
Elson, K.S. Entsch, W.G.
Fischer, T.A. Forrest, J.A. *
Gallus, C.A. Gambaro, T.
Gash, J. Georgiou, P.
Haase, B.W. Hardgrave, G.D.
Hawker, D.P.M. Hockey, J.B.
Hull, K.E. Jull, D.F.
Katter, R.C. Kelly, J.M.
Kemp, D.A. Lawler, A.J.
Lieberman, L.S. Lindsay, P.J.
Lloyd, J.E. Macfarlane, I.E.
May, M.A. McArthur, S. *
McGauran, P.J. Moylan, J. E.
Nairn, G. R. Nehl, G. B.
Nelson, B.J. Neville, P.C.
Nugent, P.E. Prosser, G.D.
Pyne, C. Reith, P.K.
Ronaldson, M.J.C. Ruddock, P.M.
Scott, B.C. Seeker, 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.
Wakelin, B.H. Washer, M.J.
Williams, D.R. Wooldridge, M.R.L.
Worth, P.M.

**NOES**

Adams, D.G.H. Albanese, A.N.
Bevis, A.R. Brereton, L.J.
Burke, A.E. Byrne, A.M.
Corcoran, A.K. Cox, D.A.
Crosio, J.A. Danby, M.
Edwards, G.J. Ellis, A.L.
Evans, M.J. Ferguson, L.D.T.
Ferguson, M.J. Fitzgibbon, J.A.
Gerick, J.F. Gibbons, S.W.
Gillard, J.E. Griffin, A.P.
Hall, J.G. Hatton, M.J.
Hoare, K.J. Hollis, C.
Horne, R. Irwin, J.
Kernot, C. Kerr, D.J.C.
Latham, M.W. Lawrence, C.M.
Lee, M.J. Livermore, K.F.
McClelland, R.B. McFarlane, J.S.
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.
Rudd, K.M. Sawford, R.W. *
Sciacca, C.A. Sercombe, R.C.G. *
Sidebottom, P.S. Smith, S.F.
Snowdon, W.E. Swan, W.M.
Tanner, L. Theophanus, A.C.
Thomson, K.J. Wilkie, K.
Zahra, C.J.

**PAIRS**

Howard, J.W. Beazley, K.C.
Fahey, J.J. O’Byrne, M.A.

* denotes teller

Question so resolved in the affirmative.

**HEALTH LEGISLATION AMENDMENT BILL (No. 1) 2001**

**Consideration of Senate Message**

Bill returned from the Senate with amendments.

Ordered that the amendments be taken into consideration forthwith.

**Senate’s amendments**—

(1) Page 2 (after line 16), after clause 4, insert:

5 Application of amendments made by Schedule 4

The National Health Act 1953 as amended by Schedule 4 applies to any changes intended to come into effect at or after the commencement of Schedule 4, including changes notified to the Secretary before the commencement of Schedule 4.
(2) Page 7 (after line 21), at the end of the bill, add:

**Schedule 4—Rate increases proposed by registered organisations**

National Health Act 1953

1 After paragraph 6(1)(a)

Insert:

(aa) the Minister’s power under subsection 78(4A); or

2 After subsection 78(4)

Insert:

(4A) Where the Minister is of the opinion that a change that would increase rates of contribution by contributors would be contrary to the public interest, the Minister may, by declaration in writing, declare that the change shall not come into operation.

(4B) The Minister must cause a copy of a declaration under subsection (4A) to be laid before each House of the Parliament within 15 sitting days after the declaration is made.

(4C) A declaration under subsection (4A) must set out the grounds on which the Minister formed the opinion that a change that would increase rates of contributions by contributors would be contrary to the public interest.

3 Subsection 78(5)

Add at the end “or (4A)”.

4 Subsection 78(6)

After “subsection (4)”, insert “or (4A)”.

5 Subsection 78(7)

Omit “a declaration under subsection (4)”, substitute “any declaration under either of subsections (4) and (4A)”.

6 Paragraph 78(9)(b)

Omit “a declaration under subsection (4)”, substitute “any declaration under either of subsections (4) and (4A)”.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (10.19 a.m.)—I move:

That the amendments be agreed to.

The government is happy to accept these amendments. They will ensure that the Minister for Health and Aged Care can disallow premium increases of private health insurance funds on the grounds of public interest.

Mr GRIFFIN (Bruce) (10.19 a.m.)—The Health Legislation Amendment Bill (No. 1) 2001 is a retitled version of the Health Legislation Amendment Bill (No. 3) 2000, which earlier this month passed the House of Representatives with amendments moved by the opposition. The main purpose of the bill is to allow private patients in both public and private hospitals to cover the cost of their after-hospital care at home with private health insurance. This bill had been knocking around parliament for about nine months with no sign that the government was giving it any priority. When the bill was considered in the Senate, the government brought forward an amendment at the last moment to deal with an entirely new matter. This amendment is to provide the minister with a new power to reject a proposed increase in premiums sought by a health fund.

Members may not recall the history of this matter so I will refresh your memories. In 1997 when the government introduced the means tested Private Health Insurance Incentives Scheme, the health funds rapidly increased their premiums and managed to swallow the benefit of the scheme for themselves. In the ensuing outcry, the Prime Minister undertook to personally scrutinise all premium increases and to ensure that they would be rejected if they were excessive. The minister assured the public that he stood as guardian of their interests and that he would be tough on the funds. In fact, he never rejected a single increase from that point on. He turned out to be a complete paper tiger, approving a series of increases which averaged twice the rate of inflation from that time until well after the introduction of the 30 per cent rebate. Under the act, the minister already has a number of grounds on which he can reject an application for a premium increase, but he did not use them. What the government is now saying is that the existing grounds are not broad enough to cover simply knocking back a fee increase because the government thinks that it is not justified.
For four years, the minister has been peddling this misconception to the public, presenting himself as their champion defending them from fee increases when in fact he was powerless to act and failed to act through a succession of double and triple inflation increases. The inflationary pressure has temporarily come off the funds after the ‘run for cover’ advertising blackmailed Australians into joining the funds. As a result, we have seen one year with a below CPI increase, and in the current year there will be no increase at all. So now that the funds are in a position where they can temporarily defer increases, the minister has decided that he needs to get some muscle and to look tough.

This is a big turnaround from his position in 1999 when he introduced the Health Legislation Amendment Bill (No. 4) of 1998. The government proposed in schedule 3 of that bill to totally divest responsibility for monitoring of premium increases to the Private Health Insurance Administration Council without any residual power for the minister. If that schedule had been passed, the minister would have lost any power after two years—in other words, in 2001 he would no longer have even a monitoring role on prices. Fortunately, the opposition saved him embarrassment by defeating that ill-conceived amendment in the Senate in early 1999, thereby forcing the minister to keep his responsibility for health fund premiums.

Now, two years later, we find he suddenly needs to increase his powers, not throw them away. Why could this be? Perhaps the answer is provided by the Australian front page story of 5 May last year, which blew the lid off a scheme the minister had cooked up to artificially depress health fund premiums until after the next election. The Australian reported a secret meeting between the minister’s former chief of staff, Mr Ken Smith, who lectured the health funds on the need for them to avoid any premium increases between July 2000 and the next election. The Australian reported a secret meeting between the minister’s former chief of staff, Mr Ken Smith, who lectured the health funds on the need for them to avoid any premium increases between July 2000 and the next election. One of the health funds told the Australian that the message given by Mr Smith was:

The Government has given the industry a boost with the private health rebate and now we want something in return.

In other words, this was a plot not to protect the public interest but to put in place part of the government’s re-election strategy. Today it seems we are seeing another step in this plan. The deadline for submission of premium increases for the year 2001 was in February, and it appears the only fund to make such an application was HBF of WA, a fund which enjoys a near monopoly of 70 per cent of the Western Australian market. This increase was hushed up during the WA election campaign and it was only because of a leak to the West Australian that the public was aware that HBF had applied for an increase. This amendment appears to be directed at that application for an increase because the minister wants to ensure that there is no increase this year. I do not know the details of the HBF application, but it should be considered on its merits. The minister cannot be allowed to hush it up for political reasons.

The National Health Act already gives the minister three grounds for rejecting an application for a rule change—if it would:

(a) ... result in a breach of the Act or of a condition of registration of an organisation;

(b) impose an unreasonable or inequitable condition affecting the rights of any contributors; or

(c) might, having regard to the advice of the Council, adversely affect the financial stability of a health benefits fund;

The government amendment currently before the House after being passed by the Senate adds an undefined test of ‘if the fee increase would be contrary to the public interest’. (Extension of time granted) Now the onus is on the government to explain what sort of fee increase proposal is against the public interest. The government amendment provides that the minister must table a copy of any declaration in the parliament. As a result of Labor’s additional amendment passed in the Senate it is now also required to set out the grounds on which the minister formed the opinion that a rise was not in the public interest.

Given that health funds are private companies selling products to the community
there should only be pretty limited circumstances where a public interest arises which is not already covered by another provision in this act or the Trade Practices Act. The opposition believes that its amendment ensures that the public will know when a minister has acted using this broad power and the grounds on which such a decision was taken. This is in the best interests of the public and the best interests of the members of funds. It ensures transparency and openness in government decision making, and I understand that the minister is willing to accept this measure. I commend it to the House.

Question resolved in the affirmative.

**AIRCRAFT NOISE LEVY COLLECTION AMENDMENT BILL 2001**

**Second Reading**

Debate resumed from 6 March, on motion by Mr Hockey:

That the bill be now read a second time.

upon which Mr Kelvin Thomson moved by way of amendment:

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

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

(1) condemns the Government for its incompetent administration of the aircraft noise levy, in failing to declare Sydney (Kingsford-Smith) Airport a ‘leviable’ airport for the period from 1 July 1996 to 21 February 2001;

(2) condemns the Government for collecting in excess of $150m from aircraft operators without due legal authority as a result; and

(3) condemns the Government for giving priority to the GST at the expense of other important taxation matters”.

Mr HATTON (Blaxland) (10.26 a.m.)—The Aircraft Noise Levy Collection Amendment Bill 2001 is only here because of a failing of administration in the act. We can well ask who the culprits are. The culprits are not the former Labor government, because the former Labor government quite properly and correctly took the administrative steps to make sure that Sydney (Kingsford Smith) Airport was a leviable airport. But that was only up until the end of the period when we lost government. It was up to this government and its ministers to ensure that the money collected under the original principal act and also the associated act, totalling so far $175 million out of $374 million, was legally collected.

What do we find out? We find that when this government makes a determination to extend the operation of the original bill to Adelaide airport it pops up across the situation that since the end of June 1996 the government has been collecting the levy illegally. What does that mean? It means that any of the companies that have been collecting it on behalf of the government could take legal action against this government. Any individual paying that levy, which was an illegal levy, could have taken action against the government.

What are we forced into in this bill? We are forced to bring in retrospective legislation to validate the administrative sloppiness of this government. Where are the suspects? The suspects are past ministers for transport, from 1996 onwards. We have had a few of those, as you would have noticed, Mr Deputy Speaker Jenkins. They come from one party, but we have had a few of them. Every one of those ministers had some responsibility. Maybe you can understand why they got lost on the way, because the Department of Transport and Regional Services—although under John Sharp it was only the Department of Transport; he did not really want to look at regional matters—actually outsourced the collection of the levy to Airservices Australia.

In outsourcing the collection of the levy maybe the government forgot to give a prod to the Treasury about actually having a valid levy collected, because the principal responsibility with regard to this rests with the Treasury. There has been one Treasurer since 1996, to my recollection—that Treasurer who prides himself on his innate genius, on his coverage of material, on his ability to make decisions, on his forthrightness and so on. People certainly have noticed that, despite that being his self-assessment, his pro-
jection of himself, this is a person who cannot say that he has, in fact, committed any wrong.

We find yet again today the Treasurer of the Commonwealth, Peter Costello, the member for Higgins, unable to say, ‘Yes, I was responsible for an administrative slip-up. Yes, I am the one, as the responsible minister, who did not ensure that this noise collection levy was validated and who did not ensure that $175 million in levy was legally collected.’ The Treasurer should be taking responsibility. But what do we find? Who introduced the bill? It was introduced in the Senate—the other place—by the Assistant Treasurer, Senator Kemp. What did Senator Kemp say about responsibility? He said, ‘It is really not the responsibility of the Assistant Treasurer; it is not the responsibility of the Treasurer. This is the department; the department got this wrong.’ In fact, the yellow—the digest prepared by the Parliamentary Library—says:

... Treasury is fixed with specific responsibility for section 7 of the Principal Act, the one dealing with declarations of an airport as ‘leviable’.

I will quote Senator Kemp from the yellow. He has called it:

... an administrative oversight within the Treasury. Not by the Treasurer, but within the Treasury. Further, he said:

... the Secretary to the Treasury has taken full responsibility for the matter.

This is an outrage. The Secretary to the Treasury has of course gone—he is out of government service. He has given up. There is a new Secretary to the Treasury, Ken Henry—a fantastic bloke, one of my former colleagues. He worked in the Treasurer’s office when Labor was in government. He worked for Australia overseas and then came back to work in the Treasury. He is the new Secretary to the Treasury. He bears no responsibility in regard to this. I certainly hope they have not attempted to get Ken Henry, as the new Secretary to the Treasury, to say that he was responsible. It looks as though they have loaded up a former Secretary to the Treasury.

This responsibility lies directly at the feet of the minister—the Treasurer. What was this Treasurer doing from June 1996 until February-March 2001 in relation to airports? He was in cahoots with John Fahey and anyone else that he could find to make sure that they looked at fast trains from Melbourne to Sydney to Brisbane—and who knows where else—instead of having a second airport built in Sydney. The Melbourne connection was extraordinarily important in terms of saying, ‘We don’t want a second airport for Sydney.’ What was the Treasurer’s attitude? His mind was not on the game. He was not aware of his responsibilities in terms of what was legally right in raising this levy. What was the Treasurer up to? His argument was that it was in the national interest that Sydney should not be the prime gateway into Australia, it was in the national interest that Sydney should just get along with what it had, it was in the national interest that Melbourne and Brisbane should get a go as well, it was in the national interest that something as far-seeing as a very fast train service should be investigated, that lots of effort be put into that, and that the moneys from the sale of Kingsford Smith should not go towards appropriate infrastructure in Sydney—the provision of a second airport.

The end result of that—apart from the administrative sloppiness, apart from not having his eye on the ball, apart from the fact that he deliberately put together with other ministers a plan to knock over the second airport for Sydney on spurious and incorrect and untruthful grounds, which is what the coalition cabinet came up with in the middle of December—is that they actually made an active decision to turn Bankstown Airport, a general aviation airport, the busiest in the Southern Hemisphere, into a full domestic airport with full regional aircraft and full domestic jet aircraft and an international airport with a runway of 1,800 metres to 2,000 metres long. It is entirely inappropriate. At least half a million, if not three-quarters of a million, people are punished because they have always voted Labor and are inappropriately put under the hammer by this Treasurer, who is responsible for this absolute mistake
and this piece of retrospective legislation. It was his responsibility to ensure that this was done—not the people in the department, not the Secretary to the Treasury, not the people who have had to take the duck walk in regard to this because he would not take direct responsibility. He did not even turn up to this morning’s division, maybe because this bill was coming up and he has some memory of the fact that he should have done this.

The core of what this is about is administrative sloppiness—but it goes further. It involves political decisions taken against the national good and the good of the people in a large part of Sydney. We have a strange, stupid, crazy decision taken to not do anything really about any second airport except to turn an airport right in the middle of Sydney’s population—Bankstown Airport—into an entirely inappropriate mix of general aviation aircraft, regional aircraft and domestic passenger carrying jets. The Prime Minister and the Minister for Transport and Regional Services—in particular the Prime Minister—have said that, as a condition of the sale of this airport, (1) the airport length be extended and (2) the airport be an overflow airport for jets such as 737s—more than 50 tonnes—and aircraft of that type. This turns Sydney Bankstown Airport into potentially an international airport. This is a really stupid thing. They tried to get themselves out of the corner by saying, ‘Okay, we will guarantee that the regionals will go into KSA; we will try to force all future regionals to Bankstown and there will only be an overflow and you won’t have to worry too much about jet aircraft going into Bankstown.’ The condition that they want to put on the sale of this airport says that Bankstown has to be extended and has to become a jet airport.

The only basis upon which the government could have reasonably or logically made the decision is the notion that 30-metre wide runways have a grandfather clause that says Boeing 737s can land and take off from 30-metre wide runways. Bankstown has three runways—two 30-metre runways and an 18-metre runway. By expressly saying that they should extend Bankstown so that 737s can land there, that is the basis on which they have to be operating. It is not safe to operate on that basis, but it is the only way you can understand them saying that this is the way it has to happen. Of course, for any other aircraft to do it safely, Bankstown central runway would have to be extended to 45-metres wide and it would have to be deepened and strengthened. The effect of that would be to knock out both side runways. It would turn the busiest general aviation airport in the Southern Hemisphere into a single runway airport—the effective east-west runway for Kingsford Smith airport.

If that is the intention of the government, they have done it on the basis that they think they can use the grandfather clause. To my knowledge, there is only one instance where they can look at that operating. The distance between the general aviation runway and the 30-metre wide runway that is used by 737 jets is far greater than it is at Bankstown. If you operate on this basis at Bankstown, and you argue that it should be included in the way the airport is run, you destroy all normal operations at Bankstown as well as totally destroying the amenity of the people of Bankstown and surrounding areas. No-one in their right mind—or supposedly in their right mind—not even a coalition cabinet, could conceivably make a decision to turn Bankstown into a new domestic and international jet airport. But that is what this decision in December does, and that is why 6,000 to 10,000 people turned up on 11 February at the trotting ground at Bankstown to protest against this decision, because it would dramatically affect them.

You would have to be looking at another piece of legislation for the future, and not one that covers past periods—as the Assistant Treasurer’s does. They have even gone through to 2006 to try to make up for the mistakes they have made in the past by doing it prospectively, and not year by year. They will have the situation where, because of the impact on the people of Bankstown and on the people in the Fowler electorate and surrounding electorates, the Aircraft Noise Levy Collection Amendment Bill 2001 will need to be amended yet again to allow for people’s homes and for the schools in the area to
be conditioned against the increased aircraft noise of these types of entirely inappropriate jets.

Bankstown Airport has been in existence since the 1940s. It did a magnificent job during the Second World War and it has done a great job since as a general aviation airport for Sydney. It is not, however, appropriate to expand or extend this airport. It is appropriate for the government to make a proper determination, a decision, on the second airport for Sydney. A number of government members know that. A number of government members have directly told the government that this is a stupid thing. A number of commentators have said, quite rightly, that this is a ridiculous decision of the first order. Yet, this cabinet decision—this stupid, politically driven decision, with no real basis to it—could dramatically change the lives of the people of Bankstown.

Luckily, there was a Labor government in power before this lot got in and luckily we have an Airports Act that has stringent requirements in terms of any changes to Bankstown Airport. Luckily we have a provision that there has to be an environmental impact statement—although, taking the hypothetical situation, if, after the end of this year this lot is still in power, given they have completely disregarded a $14 million environmental impact statement on Badgerys Creek and Holsworthy, you would not trust them with any environmental impact statement that came before any minister. There has been no environmental impact statement with regard to the use of Bankstown Airport and that has to happen. It must happen because a Labor government legislated for it. That is the only potential protection that the people of Bankstown have. This government can flog off Bankstown, Camden and Hoxton Park but I am challenging them not to do that before the election this year because, if they do so, they will potentially cripple the proper operation of that airport and the proper operation of aircraft use in Sydney. It is right and proper that this airport should remain in government control until after the next election, as it is right and proper that Kingsford Smith should not be sold. They should not be looking at the sale until after a determination at the next election.

This Treasurer, who is responsible for this farce of a bill that we have before us now because he did not do his job at the time, would like to see the $2 billion, $3 billion, $4 billion, or more, raised from the sale of Kingsford Smith put into this year’s budget figurings. We know they certainly need it, given the way they have operated in terms of economic management for some time now. They have taken desperate measures, with regard to future government revenues, in response to the situation they find themselves in politically. This should not happen. Kingsford Smith airport and Bankstown Airport need to be looked at in the context of what is right and proper. This noise levy collection bill is to ameliorate the effect of jet aircraft noise at Kingsford Smith and the people of Bankstown in my electorate do not want that imposed on them. (Time expired)

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (10.42 a.m.)—The government wishes to thank all honourable members who contributed to this debate. We would like to thank members for their support of the Aircraft Noise Levy Collection Amendment Bill 2001 and it will come as no surprise to the opposition that we reject the amendment moved by the honourable member for Wills. In his contribution, the honourable member for Wills claimed that the government was giving excessive attention to the GST at the expense of other taxation matters. We cannot accept that. The government’s tax reform package is the most significant and far-reaching change and improvement to the Australian tax system since Federation. We have delivered $12 billion in personal income tax cuts. We have abolished Labor’s wholesale sales tax and so many other taxes. It is the opposition that is in total confusion. They tell us they are going to roll back the GST. They claim to have opposed the GST but now it is ALP policy to keep the GST.

The objective of this amendment 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. Nothing excites interest more than any debate with the word ‘airport’ in it, particularly when one listens to the speeches made by various honourable members from Sydney electorates very close to various airports in that city. What I did notice from listening to the speeches was that various ALP members appeared to be in conflict over the question of Sydney airport. The honourable member for Lowe, for instance, complained that there was far too much noise to the north and not enough to the west, whereas the honourable member for Barton complained there was far too much noise to the west and that the north was being unnecessarily spared. The members for Lowe and Watson clearly oppose Bankstown as the second airport and support Badgerys Creek. I suppose one could reasonably ask where the members for Prospect and Werriwa stand in relation to this question of Badgerys Creek. The member for Lowe also mentioned that there was no EIS on the impact of Bankstown as an overflow airport. I want to assure the honourable member that any proposals to upgrade the facilities at Bankstown will be subject to the assessment and consultation requirements of the Airports Act 1996 and the Environment Protection and Biodiversity Conservation Act 1999.

The Aircraft Noise Levy Collection Act 1995, the collection act, and the Aircraft Noise Levy Act 1995 put in place a framework for the imposition of a levy to recover the costs of noise amelioration programs at certain leviable airports. In 1995 Sydney airport was declared as leviable for the nine months to 30 June 1996. However, there was no subsequent declaration for the period 1 July 1996 to 21 February 2001. Notwithstanding the failure to declare Sydney as a leviable airport, the levy has been determined and collected in accordance with the intent of the legislation. In particular, the requirement of the collection act is that the levy liability for an airport at any given time does not exceed the Commonwealth expenditure on the noise amelioration program. In the case of Sydney airport, the levy raises around $38 million to $40 million per annum and as at 31 January this year had raised a total of $197 million. Meanwhile, expenditure on the program to 31 January this year was $347 million. To date, over 3,300 homes and over 80 public buildings in the vicinity of Sydney airport have been noise insulated. Depending on future expenditure and recovery, it can be expected that the levy will need to continue for another five years.

This bill corrects the oversight by amending the collection act to deem a declaration to have been in place for the period 1 July 1996 to 21 February 2001. 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 imposes no additional regulatory or financial burden upon aircraft operators. Rather, it merely seeks to regularise past dealings between the Commonwealth and the operators. I commend the bill to the House.

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Third Reading

Leave granted for third reading to be moved forthwith.

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

PIG INDUSTRY BILL 2000

Second Reading

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

That the bill be now read a second time.

Mr O’CONNOR (Corio) (10.50 a.m.)—The Pig Industry Bill 2000 gives legislative effect to a long process of consultation between the pig industry and the government over a new industry services body which will combine the functions of three discrete bodies into one for strategic policy development, marketing and research and development purposes. The new not-for-profit industry services body whose establishment we are debating in this legislation will take over the
This particular bill marks a significant change in industry structures within Australian agriculture. It is not without its particular concerns for the opposition, which I will detail to the House as we move through debate on this bill. As far as the bill is concerned, all statutory levy payers will be eligible to register to become members of the industry services body and will have full voting rights. This will be a company that will be structured under the existing Corporations Law to carry out those functions that I have mentioned previously.

The bill provides for the minister to enter into a funding contract with an eligible body, to enable it to receive and administer industry levies collected by the Commonwealth and those matching funds which are provided under the existing arrangements between the Commonwealth and the pig industry. The minister may declare the body with whom the contract is made to be the industry services body. This particular structure is outlined in detail in the legislation. Further details of the accountability to members and the Commonwealth are outlined in the contract between the Commonwealth and the industry and the constitution of the new body, both of which the opposition are yet to see. If the company changes its constitution in a way considered by the government to be unacceptable, becomes insolvent or fails in any way to comply with that contract, the minister may suspend or terminate payment of statutory levies and matching grants to the company. The minister may also rescind a declaration that a company be the industry services body. As far as this piece of legislation goes, this is the ultimate sanction by a minister of the Commonwealth on an industry body which, from this day forward, will stand outside the ambit of the normal statutory corporations that the Commonwealth sets up and deals with. This body will become a company under Corporations Law and will, in a sense, be at arm’s length from the Commonwealth and parliament in that regard.

I am pleased that the discussions that have taken place between the industry and the Commonwealth have dealt with the matter of employee entitlements for the people who will be transferred from the three bodies I mentioned previously to the new entity. Accrued entitlements of employees of those former statutory authorities, including annual and long service leave, continuity of service and other employment conditions, are recognised in this bill. I do comment on the integrity of the process of consultation that has taken place within the industry in bringing it to this point and between the industry and the government. I pay tribute to the former head of the Pork Council of Australia, Ron Pollard, and his executive officer, Brian Ramsay, and the work they have done on behalf of their industry. We have had very productive consultations with them over a long period, as has the government. I know the new company that is being constructed is close to Ron Pollard’s heart. We do not guild the lily in this chamber; we do have serious concerns about the direction in which the industry is heading under this new structure. Those concerns have been articulated to industry leaders at various times. Time will tell how this new structure is able to operate effectively on behalf of pig producers in this country.

It is with some regret that I inform the House that the opposition will not be supporting the passage of this bill through the House at this stage. For the benefit of pig producers, their families and industry representatives who have put so much time and effort into bringing the industry to this point, let me explain carefully why the opposition has taken this course of action. The restructuring proposal for the pig industry now before this House represents one of the most radical changes to the institutional structure governing any industry in this portfolio in recent times. It combines marketing, research and development and industry services functions which hitherto had been performed by three discrete institutions, forming them into one body. Those three organisations repre-
presented distinct functions, funded and administered in separate ways.

The new corporation, Australian Pork Ltd, will be the recipient of significant public moneys to assist it in successfully carrying out the functions designed for it in this legislation. The proposition I put to the industry representatives was therefore a simple one: support for this legislative proposal from the opposition would be contingent upon the opposition receiving a copy of the contract to be entered into between the industry and the government, detailing the manner in which the industry will be held accountable for the taxpayer funds it will attract under its new corporate structure. We have also requested a copy of the proposed constitution of the new corporate entity to ensure, as best we can, that it reflects equitably the wishes of industry representatives and the aspirations of pork producers.

In my view, this was not an unreasonable request to make of the Minister for Agriculture, Fisheries and Forestry and the government he serves in this place. As the industry and producers are well aware, the minister announced in his statement of 29 August 2000, on behalf of the government, his approval for the formation of Australian Pork Ltd. Yet here we are in March 2001, some six months later, and the opposition is yet to view the essential documents which form the basis of the new corporation and give effect to radical reform of this very important agricultural industry in regional Australia. For the information of pork producers and their industry representatives, a final departmental brief on these matters was delivered to me and to my parliamentary secretary, Senator Michael Forshaw, and to other Senate colleagues and staff, only at 5 p.m. yesterday, with the bill up for debate in this House this morning. When I requested a copy of the draft documents, the contract of agreement and the constitution of the new corporation, the minister’s staff declined to make them available. Before I had to leave the briefing due to a division in this House, I was informed by departmental staff that the documents had not been finalised—they were 95 per cent, but had not been finalised. At the

eleventh hour, negotiations were still taking place between the minister’s department and the industry on the substance of the legislation which is now before this House.

I say to pork producers and to their representatives that I was not surprised at what we would term the latest bout of incompetence from this government. It has happened before. It happened before the presentation of the wool and horticulture bills to this House. Regrettably, we now have a hapless National Party minister and a hopeless coalition government, a panic-stricken government that is now more intent on its political survival than it is on good government. The Howard ministry is coming apart at the seams. Of course, the Western Australian and Queensland election results have generated open hostility now between Liberal Party and National Party ministers and members.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! I should remind the member for Corio that the particular legislation we are discussing is the Pig Industry Bill 2000, and problems within the coalition have no relevance to it. Please confine your remarks to the bill.

Mr Bevis—Very sensitive.

Mr O’CONNOR—I note your sensitivity, Mr Deputy Speaker, but—

Mr DEPUTY SPEAKER—Order! The chair has no sensitivity; the chair only has feelings.

Mr O’CONNOR—I accept that fact, but I prefaced my remarks on this bill by saying that at the eleventh hour, yesterday at 5 o’clock, the opposition had not received the draft documents relating to this very essential piece of legislation and most important reform in agricultural industry. I say to you that sitting there like a rabbit in a spotlight, quivering with panic and paralysed by his own incompetence, is the minister for agriculture, the member for Wide Bay—

Mr DEPUTY SPEAKER—The member for Corio will withdraw that reflection on the chair.

Mr Bevis—It was not, if you listened to what he said.
Mr DEPUTY SPEAKER—I listened to what he said. I am not going to embark on discussion with the member for Brisbane.

Mr O’CONNOR—Mr Deputy Speaker, I said—and I will repeat what I said—that there, sitting like a rabbit in a spotlight, quivering with panic and paralysed by his own incompetence, is the minister for agriculture, the member for Wide Bay. Those are the words that I used in this debate. I am mentioning this because here we have a significant piece of rural legislation, probably the most radical innovation in the structures that deal with research and development and institutions in Australian agriculture. The point I am making to the pork industry and its representatives is that the opposition has not yet been able to view the basic documentation. The final brief on this legislation was delivered to me last night at 5 o’clock, but the departmental officers told me I could not have those documents because they were still the subject of negotiation with the industry. On that particular point I rest my case.

I am not asking the minister to do a backflip and provide us with information; I am asking him to do a front flip, to do the decent and professional thing and ensure that the processes of the parliament are enhanced by the provision of important and essential information. Members of the industry might say, ‘Pigs might fly,’ but really I think it is a bit rich to ask the opposition to just say yes to a piece of legislation when it has not had the benefit of scrutinising what is a very detailed contract and a very important corporate constitution. It is not a big ask, unless of course you are asking a hopeless and incompetent government.

Let me put the facts on the public record for pork producers, processors and all others associated with this particular industry. I have maintained an open and honest dialogue with the pork industry on this matter. The representatives of the industry have had unfettered access to me, to my shadow parliamentary secretary, Senator Mike Forshaw, and to my Senate colleague who has a long-standing interest in this industry, Senator Kerry O’Brien. We have had some serious reservations about the final structure and about some of the details of the overall proposal. However, the opposition has respected the integrity of the proponents and the process of consultation that has brought pork producers to this collective understanding and support for the direction in which they want their industry to go in the future. I am sure all fair-minded producers and others associated with the industry will understand the untenable situation that the opposition has been put in by the minister and the government. I do not intend to compromise the position adopted in the past in similar instances where the processes of the parliament have been treated with contempt by this government. That is why at this stage the opposition will not be supporting the passage of this legislation through the House.

The pig industry, like many rural industries in Australia, has undergone significant structural change in recent decades. Between 1960 and 1969, for example, the number of pig producers fell from 50,000 to just over 3,000. At the same time the average herd size and productivity in the industry increased significantly with pig meat production almost doubling. The industry has been confronted with a whole lot of issues that it has had to grapple with, both in the political arena and in the quarantine arena. As well, there have been food safety issues and trade issues. It has been a very difficult time for producers in this industry.

The considerable pressure to change over the last two decades has come about as a result of a number of factors: the declining domestic market for pig meat, declining returns to producers, which have been a significant factor in this industry, increased competition from imports, and the existence of a very small export market. That last factor we have seen turn around in recent years, particularly in the last 18 months. We have seen the pig industry take the export opportunities that have become available to it, especially in markets in South-East Asia. I make no comment on the circumstances that have given rise to that surge in exports but, to the industry’s credit, they have turned this
industry from one with a very small export sector to one which is export oriented and which seeks to take advantage of the developments that have occurred to our near north.

The federal government provided a $24 million package of assistance to the pork industry which was allocated along the following lines: $9 million to the National Pork Industry Development Program; $2.6 million to the Singapore Pork Market Alliance Program; $8 million to the Pigmeat Processing Grants Program; $1 million to FarmBis Training Initiatives for Pork Producers, called Pork Biz; and $3.4 million to assist those pork producers who through economic circumstance had to leave the industry to exit it with some dignity. We on this side of the House have no quarrel with the government on those measures. Indeed, those measures have been of particular assistance to the pork industry in capturing those new markets and preparing producers to take advantage of their new market circumstances. We give credit where it is due. This industry package is broad ranging, it is multifaceted, and it is aimed at encouraging this industry to change its direction, to change its culture and to strengthen its commercial viability in the long term.

However, I wonder, given that the government could structure a program of this type for the pork industry, why it was not able to do that for the dairy industry. As we know, the dairy industry has been the recipient of $1.7 billion of funds in the form of a compensation support package for dairy farmers. The essential elements of an industry plan that are evidenced here in the pork program are certainly not evidenced in the policy response to the changing needs of the dairy industry.

As far as this legislation is concerned, I go back to the point at which I began my address to the House. This structure represents one of the most radical changes we have seen to a rural industry organisation in Australia to date. Inherent in this legislation and in the supporting documentation—the contracts of agreement between the Commonwealth and the industry and, to a lesser extent, the constitution of the new body—is a requirement that the industry not engage in political activity. I can understand why the government is very sensitive on this matter. As members will recall, the industry was heavily engaged in political activity in an election in our not too distant past.

There is always an inherent danger in combining all these functions into one organisation. Organisations always run the risk when they do this of having their political voice muzzled by a government intent on using the resources that it allocates to the industry as a lever to get political compliance. We have had reservations about combining marketing and research development organisations in the one body, and I flag these to the industry. If we go back and look at the structure of these bodies in the past, the most effective ones seem to be those that...
work with these functions separated. But to combine the strategic development function of a producer organisation with the marketing and research function is, in our view, a very difficult thing to achieve.

I wish the pork industry well in this pursuit. I know their hearts are in the structure that they have put to their members and they are intent on trying it. But there are many examples in rural history where attempts at this have led to disaster. I say to the industry that we have some grave reservations about the structure which is being adopted today. As far as the political dimension to this structure is concerned, I suppose I stand here as somebody who will more than likely—if today’s polls are any indication—occupy the position of minister for agriculture in a Labor government. I might take some comfort in the fact that, in this legislation, there are procedures put in place that severely inhibit an industry from engaging in political activity.

However, I can also take another view on this and put the view to the House that it is a bit like the attempts to get on top of the black market economy through the taxation system and a GST. I was sitting with the Australian hoteliers this morning at a breakfast when they told me that the black economy is rampant and the GST has done nothing to address the issue. I guess it is not beyond the wit of pork producers, in the face of this piece of legislation—where they see particular strictures put on their organisation from engaging in certain political activity—to structure another organisation which will carry out that function outside of the legislative framework. We know this occurs in industries because we have an example, as I speak today, in the dairy industry. There are certain representative structures, if you like, for that industry. We have now seen dissident elements coalescing around some anomalies and failures in the package to form a new producers organisation which is very political and has many National Party members in regional seats shaking in their political boots.

Having said all that, I do understand the desire of the industry to have the particular structure that they are proposing legislated and I wish them well with that new structure, once this piece of legislation moves through the parliament. But I say to the industry—and to the government as well—that, if the industry want the cooperation of an opposition, I think it is reasonable to expect that the very basic documents, even in draft form, that give expression to the detail of how the government intends to structure this new radical corporate structure and rural organisation, and how it is going to relate to the government, be given to the opposition.

I do not think it is an unreasonable request that the opposition be given the draft documents and at least have an opportunity to comment on them. If the pork industry were to go to the wool industry and the horticultural industry they would find that, as an opposition, we conducted our discussions with those industries with integrity and good faith. We were not out to bring the government down over a horticultural bill. We were not out to bring the government down over what it was proposing in the wool industry. But we were demanding our right, as an opposition, to scrutinise the basic documents that give effect to the most radical change we have seen between the structure of an industry body and its relationship with government. That is not an unreasonable request. It is one that has not been met by the government, much to my disappointment and, I think, to the industry’s disappointment as well.

With those concluding remarks, let me say that, for the reasons I have outlined, the opposition will not support the legislation at this stage of the proceedings of the House. I do expect that the minister will make available to the opposition in a reasonable amount of time those basic documents for scrutiny. We will engage in negotiation and discussion with the industry in good faith. For example, unlike the horticultural services bill 2000, this bill does not make provision for a decision by the minister to rescind a declaration as a disallowable instrument. (Time expired)

Mr CAMERON THOMPSON (Blair) (11.20 a.m.)—I am pleased to be able to speak today on the Pig Industry Bill 2000. Unlike the member opposite, the member for
Corio, I intend to speak about the pig industry. What we had from him was a veiled attempt to talk about pigs but he then carried on about the dairy industry. The pork industry has been a bit of a revelation to rural communities because, having undergone such an upheaval, it has a positive outcome in the way it is heading. The member opposite referred to the $24 million pork package that was put together some time ago. He also went on at some length about the political connotations of the activities of the pork farmers when they were having difficulties a couple of years ago.

The progress that has been made in the pork industry bears some scrutiny. What is emerging as a result of the difficulty and the government’s efforts in dealing with that difficulty is an entirely revised and revitalised industry that is really going places. We see the emergence of completely different structures in the way the pig industry works in Australia. For example, the old co-ops are still functioning but appearing alongside them are various organisations operating with supply chain agreements that represent a change in the way the industry works and one that is very much for the better.

I note that the intent of this bill, to merge and privatise the Australian Pork Corporation and the Pig Research and Development Corporation, is a result of the working party on pork industry restructuring, which reported in March 2000. I think members should be cognisant of that fact. We talk about the industry not being politicised, but that is something the industry itself has very high on its agenda at the moment. I know this because in my area a lot of people are involved in that industry and are very keen not to go down the same dead-end course they went down in the past which got them into great difficulty.

I would like to localise this debate and discuss some of the ramifications of what the government has done in the pork industry, as far as Swickers abattoir in my area of Kingaroy is concerned. Until 18 months ago, Swickers abattoir was a completely domestic abattoir with 85 staff; it could deal with 120 pigs an hour and process between 2,500 and 3,000 pigs a week. That was the throughput for Swickers abattoir at the time of the big crisis in the pork industry. Let us look at that crisis: we had a very high Australian dollar; we had virtually no export capacity in the Australian pork industry; and we had imported pig meat coming in from Denmark and other European countries, together with a local oversupply. In my state of Queensland, the only export abattoir able to send Queensland pork overseas was at Cannon Hill, which was owned by the state government. As the state government was exiting that area, our future in pork exports was really very bleak. In trying to deal with the problem, the federal government faced a concerted political attempt to force the issue of tariffs. As things have turned out, nothing could have been worse for the pork industry than to proceed with what was being proposed by, for example, fellow travellers of One Nation and similar groups that joined in on the hurt, the controversy and the difficulty being experienced in the pork industry at the time. They sucked onto that emotion and exploited it for all it was worth. They blamed tariffs and imports from Denmark and Canada for causing difficulties within the pork industry. That was a gross oversimplification—as we have come to expect from that political area—of the situation. The way the government responded was entirely appropriate. As it has turned out, the government has helped to create a whole new horizon for the industry that it would not otherwise have had.

In the case of Swickers today, it is completely different from the old Swickers that I described a minute ago, as a result of a grant from the Commonwealth under the pig package that the Commonwealth agreed to put together. Remember that the pig package was put together after the Prime Minister went to Wondai. Wondai, which is just outside and to the north of my electorate, is an area with a lot of pig producers. I remember that meeting. The Prime Minister flew into Kingaroy, which is in my electorate, and we drove up to Wondai for the meeting. There were all these concerned pig farmers being spurred
along by the newly-elected members of One Nation who were absolutely howling over the question of pork imports. The Prime Minister dealt with the issues in a very up-front and fair dinkum way that I think really impressed the local people. He discussed the core of the issue and did not make over-the-top promises. He did not say, ‘Let us stop all pork imports tomorrow,’ because that would not have solved the problem anyway. He made a promise to come up with a detailed package that would address the issue. To his everlasting credit, he did. That meant for Swickers abattoir a grant of $400,000, 10 per cent of a capital injection of $4 million into that plant, which was spurred on by the government’s entirely export focused package. While imports were coming into our country, it gave our farmers an alternative. They were not being jammed in the domestic market. They were not totally shackled to a small market and to antiquated production techniques. They had the opportunity, with the money coming from the Commonwealth, to seek export markets and to develop those export markets.

Under that package, $400,000 was going into Swickers abattoir alone. That money provided a $2.7 million slaughter line. I have seen that line, and the contrast between the old and the new is just amazing. The new slaughter line installed at Swickers can deal with 300 pigs an hour. The line was installed in the middle of last year. It is based on a Danish model and provides a CO₂ bath to kill the pigs. It processes them very efficiently in a highly mechanised way and in a very hygienic manner. The second part of that grant, and the capital that it attracted, has gone into value adding in the plant. There was no value adding before. With that extra money, we now have opportunities in exports being developed for the offal that is recovered out of the plant, as well as the development of a new and efficient boning area. The plant now has a completely new business plan and outlook by which it will export and value add. The plant is entirely on an export footing.

You might say that, quite coincidentally, we had the development of the nipah virus in Malaysia. That meant the killing of, I think, a million pigs in Malaysia and the sudden emergence of a huge demand for pork, particularly in Singapore. All that occurred. It is one thing to say that that was fortuitous, but, if the Commonwealth had not acted as it had to have the industry on an export footing at that time, it would not have mattered how many pigs they were killing in Malaysia: there would have been no benefit coming to our pork producers, and there would have been no benefit coming to the Australian economy in general. The fact that the Commonwealth had that in place created that opportunity. Now we see the tragedy of the foot-and-mouth disease infestations unfolding overseas in the UK and other countries in Europe. What is such a tragedy for those people over there is a huge opportunity again for the Australian pork industry to further develop its export markets in Europe and in other places. That will contribute to another huge demand around Asia and will create a further opportunity for this industry to expand.

It is not all rosy in the garden. There are things that have to be done. The problem as it stands at the moment is that not only Swickers but also other plants such as KR and Bungees are doing all this upgrading work, and we are going to need many more pigs to kill in these abattoirs. We are going to need much more throughput. We have to really develop the supply base. We have to provide greater throughput and better ways of dealing with pigs so that the industry is more efficient and we are protected from the dangers of things such as disease outbreaks.

One of the longstanding features of the Australian pork industry is that our pigs are relatively very healthy compared to those overseas. For example, if you look at medical bills for support with vaccinations and so on, for each pig grown in Australia the cost of production is something like $6 less than for pigs in the US. That is obviously a significant advantage that the Australian pork producer has there. We now have the opportunity to use that advantage to develop our export markets. Of course, there are downsides. The cost of our grain, for example, is
higher than in the United States. But, by working our advantages, we are going to exploit some of those overseas markets.

Let us look at some of the developments. At the moment, out on the Darling Downs, west of Dalby, a Japanese organisation is developing a large pig breeding unit. That will be a sign of things to come. It shows that those Japanese plants see Australia as the place to be if you want to grow pigs. They are producing all those pigs out there for the Japanese market. No doubt they will then want to move on into processing and those sorts of things in our country, but at least in the initial stages a lot of those pigs are going to find their way, I suspect, to Swickers. That will help with the throughput that I am talking about.

What the Commonwealth has done to deal with the problem of throughput is to speak to the local needs of the community. I know that when the development of Swickers was starting to take off we managed successfully, under the Dairy Regional Assistance Program, to get funding for a water pipeline between Kingaroy and the Swickers abattoir to support its growth. People might say—and I have heard members opposite say it—that some of the things that we are providing have nothing at all to do with the dairy industry, that the Dairy Regional Assistance Program is a program to support the communities in which there has been a dairy industry and in which we are trying to seek a transition into other areas to provide economic stimulus. That is true. Providing a water pipeline to support Swickers, you would say, has nothing to do with the dairy industry. But in fact, if you look at the way that is going at the moment, we have a number of local dairy producers up near Kingaroy who are looking at switching over to the pork industry. In the first wave of the new demand for pigs coming through the Swickers abattoir, we have had nine ex-dairy farmers in that area looking at switching over to pork production, looking at making the jump into this highly productive new pork industry. Already, three of those have taken up the opportunity; and the opportunity to go still further will, for the other nine, be there, because, as I said, we need to improve the supply base. We need to get more pigs coming through, and that is exactly what local people up there are setting about doing.

Earlier I mentioned the way Swickers used to be. The fact is that it is going to be a completely different type of plant, not only in the efficiency of its throughput but in the markets that it serves. Already, we have a situation where Swickers is providing 70 per cent of its kill for other operators, and many of those are supplying Singapore and overseas markets. The people being supplied out of Swickers at the moment include BE Campbell, Pacific Meat Packers, Primo, CJ Read and a range of other small operators. The net result of that is that we have eight containers of pig meat every week going to Singapore that were not there at all for Australia under the old arrangements—eight containers a week, and every one of those containers is worth $18,000. There is obviously a big opportunity there, and those containers are providing jobs for Australians and export earnings for Australia. It is a very important and significant change in the way our industry works.

One of the other sides to this is the way in which we deal with the throughput and the need to boost numbers in the pork industry. The way Swickers is dealing with this is to move completely away from the old vision of the way the pork industry should work, with each farmer running their own sows, growing them out and presenting them to the abattoir, according to the tradition of the way that they have produced them and the way their fathers probably produced them for centuries, or certainly for decades. They have moved away from that to a system in which we now have Swickers talking about establishing a 9,000-sow central breeding unit at Mundubbera—9,000 sows in one place just producing piglets, with those piglets then going to grow-out centres, much in the way that you might say the chicken industry has changed so that you have farmers whose job it is just to grow out the chooks. It is exactly the same with pigs: you get farmers whose job is to grow out the pigs.
By concentrating it in that way, you arrange it so that the disease risks are much less, so that you have much more consistency in your product—because of course each one of those growers is using a set recipe for the market that they are targeting, and they have a direct arrangement where everything is being coordinated through Swickers to ensure consistency of quality, to ensure that the product is as good as it can be—and that it is being produced in a timely manner according to the demands of the market. That is such a completely different pork industry from what Australians have been used to in the past. The member opposite said whenever you had a dairy farm you might get a couple of pigs as well. That was the old attitude. The new attitude is that this is an export industry on its own two feet. It is an industry with a big future and the people in it are looking ahead and making their plans to suit.

One thing that I would like to mention in conclusion is the importance of protecting this embryonic industry, because we are going to have to support the development of that supply chain. One of the difficulties that that comes down to is that there has to be very careful planning in local government because we are going to need so many more pork producers and pig farms being set up. The environmental consequences of that need to be very carefully handled by local authorities, so much so that I know that in the area of Kingaroy in the past it has taken up to a year to apply for and to establish a pig farm. We hope to have that down to something like three months and still protect the important environmental goals that have to be realised. It is important that we protect this industry for the future. (Time expired)

Mr SECKER (Barker) (11.40 a.m.)—I can very well remember—and I am sure you can, Mr Deputy Speaker Hawker—the state of the pork industry in Australia less than three years ago. They had high input costs, low and falling prices—and it certainly was not an enviable job to try to produce pork—and there was a raft of so-called solutions to this problem. I can remember that in 1998—about March—I had the pleasure of visiting the KR processing factory—and I believe that is in the member for Blair’s seat. It was a very highly organised production outlet and their attitude at the time, even though there were low prices for pork, was that they believed the answer was not to have closures and not to have bans on imports but to get out there in the market and produce their high quality products. I certainly learnt a lot from that visit.

Unfortunately at that time and prior to the 1998 election, we had the spectre of Peter Brechin, the President of the Pork Council of Australia, leading a highly visible campaign against the coalition government, calling for high tariffs on and import bans against pork from Canada. It did not matter to Peter Brechin that we exported eight times the value of other agricultural products to Canada that we imported from that country. It did not matter to him, and he would not accept the mere fact, that there was more pork produced in Australia than we could consume at home, like many of our agricultural products, and therefore the pork industry needed to work towards exports. But it did matter to the pork industry because, after that election, at the next AGM of the Pork Council of Australia, Peter Brechin was deposed as president, and we certainly have a far more rational leadership there with Ron Pollard, who has worked very closely with this government to bring this bill in front of those in the chamber.

We knew that exports and efficient production were necessary and we allocated some $24 million to help pork producers gear up for exports. We also allowed for a dignified exit from the industry by some pork producers. In my electorate of Barker, the pork industry has benefited from such investment and is geared up for exports. Frankly, it is doing pretty well: demand is up, prices are up and input costs have fallen compared to three years ago. Where was the Labor Party opposition during this time and what were its policies? Typically, they followed their own maxim to say anything and
do anything to win government. The Labor Party threw out all the principles of free trade that they had lavishly followed for the previous years of government under Hawke and Keating, and they took the cheap One Nation tack of supporting the selfish, short-sighted approach of Peter Brechin. The Labor Party followed the League of Rights approach of Fortress Australia, because they would say anything and do anything to win government. The Labor Party showed just how shallow their policy approach was. They had no policies then and they have no policies now, because they are a policy-lazy party that cannot put the interests of Australia ahead of their own cheap, short-term interests.

Perhaps I should remind the chamber that only one member opposite is speaking on this bill, which shows the interest of the Labor Party in this very important bill for the pork industry. Can I let him, and anyone else that might be listening, know of a conversation I had with a pork producer from the electorate of Barker last night. His concern was the risk of foot-and-mouth disease entering Australia, and it is a very important concern. He was at pains not to take the One Nation-Labor Party-League of Rights approach of Fortress Australia, but he knows, as I do and as other members of this chamber do, that foot-and-mouth is the greatest threat to our meat producing industries. Contrast that with the spectacle in this chamber last week of the Labor Party’s mirth when this serious topic was raised by this side of the chamber and contrast that with the knowledge that we now have that two Labor members have pulled out of speaking on this important bill. Even the member for Corio, the sole speaker from Labor on this bill in this parliament, would have to admit that he was not particularly enthusiastic.

It is a pleasure to be able to speak on the Pig Industry Bill 2000 and to support the many pig producers in my electorate of Barker and all over Australia. You may not be aware that the Murray Lands area of South Australia, which is in my electorate, is a major pig production and slaughter region. Currently, over 60 per cent of the pigs grown in South Australia are slaughtered and processed in the Murray Bridge region. Currently the region processes in excess of 32,000 pigs, but the two new state-of-the-art slaughterhouses that this government helped bring to fruition in the Murray Bridge area have the capacity to eventually handle 500,000 carcasses. While I have mentioned that 60 per cent of the pigs in South Australia are grown in the Murray Lands area, I think that probably at least 30 per cent of the other 40 per cent are grown down in the south-east of my electorate of Barker as well. This is all very good news for the producers of my electorate, who not all that long ago, as I mentioned earlier, were facing financial ruin because of the dumping of pork products from Canada. Not only did they weather that storm but they have risen to the challenge and have grown into an even more dynamic and modern industry, creating jobs for the region and valuable export dollars.

Today’s bill aims to merge and privatise the Australian Pork Corporation and the Pig Research and Development Corporation. The final report of the joint industry-government working party on pork industry restructure, which was released in March 2000, recommended streamlining the industry’s management through the amalgamation of the three existing pork industry bodies into a single producer controlled organisation. What we are looking to achieve is one producer controlled organisation using producers’ money for the benefit of the whole pork production industry. The President of the Pork Council of Australia, Mr Ron Pollard, said that there was strong and consistent feedback from the industry to move quickly to implement the new structure, which makes it even more strange to hear that the opposition is opposing this bill when the consistent feedback from the industry is that they want this bill. Obviously, the Labor Party has not been on enough of these false bus tours around country areas and talked to real country people to realise what they really want.

The report was endorsed unanimously by delegates to the annual meeting of the Pork Council of Australia in March 2000—in my
experience of agricultural industries, that is almost unheard of. On 29 August 2000, the Minister for Agriculture, Fisheries and Forestry, the Hon. Warren Truss, announced that the government had given the go-ahead for a new company, Australian Pork Ltd. Australian Pork Ltd will take over the functions of the three existing industry and statutory bodies. He said at the time:

... the evolution to a single organisation will remove inefficient duplication in servicing industry needs and provide a single point of contact for pork producers as well as our domestic and international trading partners.

What the industry was looking to achieve was one producer-controlled organisation using producers’ money for the benefit of the whole pork production industry. There was strong and consistent feedback from the industry to move quickly to implement this new structure. Australian Pork Ltd will be a company limited by guarantee under Corporations Law, with all major policy and strategic issues being decided at the one board table by a single board of directors and with a majority of producer-elected directors.

Ron Pollard, Chairman of the Pork Council of Australia, said that it was exciting for the industry to be implementing a dynamic new producer-controlled organisation which will be responsible for all policy, research and development and marketing services. He said that the APL will be a flexible organisation that can respond quickly and decisively to immediate and emerging threats and opportunities in domestic and export markets. It will have a stronger commercial focus, and producers will have more ownership and more control over the use of their money. The consultation process included the production of an options paper and a final recommendations paper, and a series of meetings with people representing all aspects of the industry Australia-wide. Mr Pollard was certainly confident that Australian Pork Ltd will serve the industry well in a challenging business environment. That is the way that the industry needs to go, and I congratulate the industry on taking the bit between its teeth and ensuring that the industry has a profitable future.

Currently three organisations—the Pork Council of Australia, the Pig Research and Development Corporation and the Australian Pork Corporation—manage the separate tasks of policy, research and development, marketing and promotion and export development in the Australian pig industry. For example, the Australian Pork Corporation is the statutory marketing authority for pork produced in Australia. It was established under the Pig Industry Act in 1986. It is funded by a promotion levy of $1.65 per pig slaughtered, payable by producers. In 1999-2000, the revenue raised from this levy was $8.24 million. The Australian Pork Corporation plans and implements marketing and sales programs for the pork industry in Australia and overseas under the brand name of ‘New-Fashioned Australian Pork’. It also provides a central information resource for the industry through a library and a statistical service that analyses international and domestic trends in pork production and marketing. The APC worked closely with the National Pork Industry Development Program to establish and fund the Confederation of Australian Pork Exporters in 1998-99. Currently it administers the Confederation of Australian Pork Exporters, which is also funded through the NPIDP.

The Pig Research and Development Corporation was established on 2 July 1990 under the Primary Industries and Energy Research and Development Act 1989. It invests and manages research and development funds on behalf of the Australian pig industry and the Commonwealth government with the aim of improving the performance and sustainability of the Australian pig industry and increasing its global competitiveness. It is not about fortress Australia but about increasing the industry’s global competitiveness. With the current fears over foot-and-mouth disease in Britain, more than ever it is vital that Australia remains at the forefront of disease prevention research so that we can continue to lead the world as a clean, green producer of quality, hygienic product. The PRDC supports over 100 research and development projects, ranging from long-term research on pig breeding and health to the
provision of industry information and training packages on topics such as pig housing, management, health and handling. Its income is derived from two main sources: the Australian pig producers and the Commonwealth government.

Under the Primary Industries (Excise) Levies Act 1999, pig producers pay a research levy on pigs slaughtered for human consumption. The levy rate is approved by the Minister for Agriculture, Fisheries and Forestry after taking into account the view of the Pork Council of Australia and the recommendation of the PRDC. In 1999-2000, the rate was 70c per pig, which has been unchanged since 1992-93. For each dollar of research levy the Commonwealth government provides another dollar, up to 0.5 per cent of the gross value of production. In 1999-2000, levy receipts totalled $3.48 million, and the Commonwealth government provided a little bit more than that at $3.65 million.

The Pork Council of Australia is the peak representative body of the Australian pork industry. It now represents 75 per cent of pork producers across Australia. It was established by producers to represent producers' interests with government and industry, and it is funded by voluntary membership. The PCA is a non-profit company controlled by a board of eight directors, who are chosen by industry delegates. Delegates are nominated to represent a group of producers who have combined their herds into a 'cell' of 7,000 sows. This structure allows individual large producers as well as organisations to be directly represented. From 1 January 2000 the cost of voluntary membership of the PCA was $1.50 per breeding sow. The PCA, as the recognised national representative body for Australian pork producers, has a statutory obligation to monitor how pork producers' statutory levy funds are used. It also provides advice to the government on the expenditure of funds to benefit that industry.

The PCA also acts as a lobby group with government and other industries on behalf of pork producers. For example, the PCA has lobbied the federal government for increased access to overseas markets through the removal of barriers to trade—not the Labor-One Nation-League of Rights approach of fortress Australia. In the past, not all members of the PCA have agreed with the political activities of the organisation. In fact, in 1998 there was disagreement between the New South Wales Farmers Association, which represents about 220 mostly small-scale New South Wales pork producers, and the PCA over the PCA's decision to campaign against the government in 10 coalition held seats—including my own, Mr Deputy Speaker Hawker, and probably yours as well—in the October 1998 election. The New South Wales Farmers Association, which had four of the 34 delegates at PCA meetings, withdrew in protest but has since rejoined the PCA, and it is a far more effective organisation now.

A working party had been established following a unanimous directive from delegates of the Pork Council of Australia in May 1999, and it established a joint industry-government task force to prepare a report defining the options available to the industry to have a single industry body including research and development and marketing functions. The working party consisted of nine members and was very successful. It was chaired by the President of the Pork Council of Australia, Mr Ron Pollard. The working party released an options paper in October 1999 setting out three alternatives for the industry to achieve a single industry organisation that incorporated policy, research and development and marketing functions, and that is what this bill is all about.

The options recommended by the working party proposed the full integration of the three existing bodies, involving one board of directors responsible for all industry policy and service delivery functions; the board of directors to have a majority of producers, with the balance of directors appointed on the basis of their commercial skills; statutory levies paid by pork producers for research and development and marketing to continue; matching government funds for research and development to continue; public policy ac-
tivities of a political nature presently undertaken by the Pork Council of Australia to be funded voluntarily by pork producers; and industry delegates, similar to the current PCA system, to provide a formal mechanism for electing directors and communicating policy.

Following consultations with pork producers, the working party reported that there was no interest from the industry in continuing the current arrangements involving three national industry bodies. Instead, there was overwhelming support from the industry for amalgamating the three organisations into one body incorporated as a non-profit company controlled by the producers—not by the government but by the producers.

The Australian pig industry is experiencing considerable pressure to change as a result of a range of factors including a stable or declining domestic market for pig meat, declining returns to producers, competition from imports, and a small export sector. The consumption of pig meat by Australian consumers has remained stable since 1994. However, price competition from other meats, such as beef, has affected the consumption of pork, while food safety concerns over smallgoods have also had an impact. Approximately 20 per cent of all pig meat produced in Australia is used in the manufacture of smallgoods while a further 35 to 40 per cent is used in the manufacture of ham and bacon. In addition, returns to producers, based on Australian pig meat prices, have been failing in real terms, but that has also been the case for other livestock industries.

What the industry wants is a say in future proposals to vary the statutory levy rate, rights to attend, ask questions and be heard at APL general meetings, and rights to receive certain company information contained in financial, directors’ and annual reports. Producers who pay both the statutory and voluntary levies would have additional rights to participate. (Time expired)

Mr CAUSLEY (Page) (12.00 p.m.)—I will not go over the detail that the member for Barker has put into Hansard about levies, et cetera, in the industry; rather, I will try to look at some of the other aspects of the Pig Industry Bill 2000 and relate them to some of the other agricultural industries in Australia. As the member for Barker said, in 1998 the pig industry was in disarray and there is no doubt that, in my area in the seat of Page on the north coast of New South Wales, the effects were even more dramatic than in other areas of Australia. It is probably correct to say that some of the producers in that area are not as big as some of the other producers in Australia. In fact, it was doom and gloom. The industry had been focused on domestic markets and, at that particular time, the importation of Canadian pork—and they were prime cuts that were being imported from Canada by our great supermarket chain Woolworths—was having a dramatic effect on the domestic market, and it was doom and gloom. In fact, I had representations from pig producers and abattoirs in the local area who were saying that they were going to go out of business unless we put some protection in place to help them. Of course, under the terms of the World Trade Agreement that was not possible.

I think the members opposite forget—and I notice there is not even an opposition member here at the present time—that they signed the World Trade Agreement before we came into government and we are bound by that. We may not like some of the terms and conditions, and I do not believe that the Labor Party fought hard enough in some of those areas. Nevertheless, what happened in the pig industry is an example for industries across Australia. They had some luck; you always have to have luck. But they grabbed their opportunities and they went out there with the help of government and aggressively attacked the world markets.

When I say they had the help of government, a package was put in place which allowed their abattoirs to be upgraded to international standard so they could be competi-
tive. I know that, in my area, the abattoirs did exactly that. The abattoir on the north coast of New South Wales is at Booyong, near Lismore, but, of course, we are not far from the Darling Downs and there are some fairly big abattoirs on the Darling Downs that kill pigs. Those abattoirs took the opportunity and they aggressively marketed their product into the world market. With some luck, as I said, they have been extremely successful. I have not had one complaint from the pig industry in the last two years. Although the pig industry is a very competitive industry, it has been doing very well.

It does not matter whether research and development is in agriculture or in business; it is a very important part of any industry. You must spend the money on research and development if you are going to be world competitive and keep ahead of those who inevitably are going to try to take your market. In this particular area, as has just been mentioned, pork is competing in all the other meat areas. If you have beef or lamb or fish that is cheaper, the consumer will buy those particular products. So it is not just a matter of competing with overseas countries or competitors within your country; you are competing with other products. Therefore, your research and development, the presentation of your product and the fact that you are servicing the market are all very important.

Many agricultural industries in Australia, and it probably goes right back to our history, have not really focused on the fact that they have to provide a product that the market wants. As I said, it goes back to our history because in the past we belonged to the British Empire and we produced a bulk product—and I can remember that; it is not that long ago. We produced agricultural product in bulk, England took that product and in return we took their manufactured goods. It was only when England joined the EEC, as it was in those days, that the umbilical cord with Australia, and New Zealand for that matter, was cut and we had to adjust. New Zealand, in many ways, adjusted better than we did in agriculture because they had to—they were forced to. Australia tended to rely on some of its other industries and its wealth—I dare say to cushion the blow. Many of our industries, and perhaps industries that the member for Wannon represents, did not adjust. The reason they did not adjust was that they did not do market research into what the market wanted and needed. You do not just produce a product and put it on the market expecting the buyer to buy it. You have to go out there and do the market research and you have to understand exactly what the consumer is looking for and what the market wants. That is why research and development is so important.

What I see here is that the pig industry have got their act together. They have agreed that this is the best way to go, the best way to expend the money—mind you, there is industry money involved here and that is very important. They want to have a say in how that money is to be expended and, because they are closest to the industry, they know how that money should be spent. If they are getting the feedback from their market, they will know what they should be spending that money on in order to supply and satisfy that market. It is a very important point. It has been said by the member for Barker that, unfortunately, those opposite—and I include the member for Corio—do not often know much about this. It seems to me they are a little like some of the other political parties at the present time—they listen to talkback radio and they hear a few people sprouting policies and they think, ‘That must be a good policy, so that is our policy.’ It is a very difficult area; I do not pretend it is not. The world market is a difficult market. It is a very aggressive market. There are people in that market who have corrupted systems of their own by dumping product on the market. I know this government has tried, very aggressively, to overcome some of those corruptions in the marketplace and we have to keep niggling away at that.

If we can just get a foot in the door in many of these markets, it will mean a lot to our agricultural industries. We have to continue to do that but we also have to have the best product in the world—and in many in-
dustries we do. Our agricultural industries are very efficient, measured on world terms, and they produce a very good quality product. We can do better. In the meat industry, for instance, a lot of research and development could go into looking at labelling and the quality of product, which is important on the world market and domestically. We could do a lot better there. The meat industry, the red meat industry in particular, could take a lesson from what the pork industry is doing. They could get their act together, cooperate and use some of the funding they can generate from these schemes to get their product into a better position.

I have listened with interest over the last few weeks at some of the utterances coming from the other side of politics and, quite frankly, it seems to me there is a tendency over there to go back to the old days or at least give an impression, travelling around the countryside in the boondoggle bus, that they understand and that they are going to do everything. But I do not see the policy. These people will be caught out when they are asked what their policies are, because they do not have any policies in this area. People are not silly. They might have a bit of disagreement at the present time with the way things are going but, at the end of the day, they are very smart people. They will sit down and say, ‘If we did not go in this direction, where would we go?’ I am sure they will make those judgments when it comes to the time.

Let us have a look at what happened in New South Wales. One of the important things in these industries is that when you have research and evidence of where you need to go in these industries you then need extension. One of the great assets we had in Australia in the past was the great bureaucracies that we had in the states. I am talking here about agriculture, soil conservation, water conservation and forestry—those sorts of bureaucracies. The people in those bureaucracies were very qualified: they could go out and talk to producers, and they had the trust of the producers, about what was needed to change direction. But what have we seen? As soon as the coalition government was defeated in New South Wales, those bureaucracies were wiped out. As a former minister for agriculture in New South Wales in the coalition government, I was appalled at what happened under the Labor Party, where these very valuable bureaucracies for agricultural industries were just wiped out. Now, when we have some problems in the environmental area, where undoubtedly there will need to be some changes in management and, again, where we will need some research done as to where we go—probably there will be some cause for industries to put the money in as well—we have no extension at all. We have no-one we can send out to talk to the people on the ground, no-one who is trusted by these people, about how some of these things might be changed to make our industries more competitive. There is no doubt in my mind that this type of legislation and the agreement behind this legislation is pivotal to the future of industries in Australia.

Mr Deputy Speaker, on the same vein, you might recall that one of the problems we had in the sugar industry in North Queensland was the fact that they had a decline in production in the wet tropics, a particularly different area from many of the other sugar producing areas of Australia. One of the things the government did in the sugar package was give money for research—to research why we had the decline, to look at varieties and at farm practices to see how we could overcome that situation. Look at the development of agriculture in Australia, the development of production, and the fact that these days we get 100 per cent more production from our wheat varieties and from our sugar varieties. And look at the standard of our herds—whether they be flocks of sheep or herds of cattle. The development that has taken place over decades is quite extraordinary. That is why Australia is so well placed as an agricultural country. It is absolutely important we continue to do that.

The member for Barker mentioned the foot-and-mouth disease outbreak at the present time in Europe. I noted the other day when the question was asked that not one member on the opposition side knew what
the question was about. This is one of the world’s greatest diseases.

Mr Fitzgibbon—That was stupid; you should withdraw that.

Mr CAUSLEY—Even the member for Hunter was sitting here laughing his head off; he had no idea what foot and mouth was about.

Mr Fitzgibbon—Mr Deputy Speaker, I rise on a point of order. I would, in good faith, ask the member to withdraw that comment. That is a total misrepresentation of what was taking place on the opposition benches on that occasion. I find it offensive.

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Hunter does not have a point of order.

Mr CAUSLEY—The fact is this is the world’s most feared disease and it can have a big effect on the pork industry. This is the industry that can be most affected by foot and mouth. One of the things we have to take heed of is that the minister yesterday talked about the upgrading of quarantine into Australia. I know it is a nuisance to people who are going into another country that they have to go through these quarantine procedures, but I do believe that before this outbreak we may have been a bit lax. We have to keep our guard up all the time on these diseases because Australia is disease free and we want to keep it disease free. We want to maintain that status because it does give us great opportunities. It might sound a bit ghoulish, but while Europe is having a huge problem with foot-and-mouth disease it gives our industries an opportunity to get into a market which we have a legitimate right to be in and which in the past we have been kept out of. It gives us a legitimate reason to ask to have access to that market. The reason we can do that is that we have had the research and development, we have had the science, we have protected our flocks and our herds over the years and we can freely say that we have disease free status in these areas. That is a very important selling point.

I know that Australia tries very hard to sell into the marketplace as a clean, green agricultural producer, and we have every right to claim that. But I am a little bit cynical because I think sometimes you can go down that track as far as you like and at the end of the day some of these countries will find another non-tariff trade barrier to try and lock you out of their markets. Nevertheless, we will win eventually. If you look at some of the subsidies that have been used in these countries, 12 months ago when I was in Europe the subsidy on agricultural product was $US52 billion a year. Eventually taxpayers will revolt against that, particularly with the expansion of the EU into some Eastern European countries which are big agricultural producers. We have to understand that that will make it very difficult in the long term for the EU to continue the level of subsidy that they have at the present time. We need to continue to highlight that so that we can get our product into these markets, because we can produce product cleanly and we can produce it at a cost that is very competitive to those markets. It is just a matter of slowly and surely getting our way into it. It is important, of course, that we maintain the quality of our industries. I am pleased to say that this bill, and I am sure there are many other bills that can follow, is showing the government’s commitment to agricultural industries and the government’s understanding of agricultural industries. There are many on this side who have a very deep and thorough understanding of agricultural industries.

The sad part of some of the debate at the present time, when people are putting forward some simplistic answers to some very complicated problems, is that we run the real risk of reducing Australia’s standard of living. If we go down the simple track and if we are lazy like the Labor Party in policy development, if we just sit back and listen, as the Labor Party does, to public opinion and if we are not prepared to stand by some industries in the necessary development of product, then we could have problems. We still depend very substantially on agricultural exports. The member for Hunter should well know that, coming from a great agricultural area in the Hunter Valley. The fact is that, if we do not do this, if we have not got the will
to help these industries, if we have not got the will to ensure that we are up there and that we are world competitive, at the end of the day the Australian people will suffer. The standard of living that we enjoy in this country has been built on the great agricultural industries of this country. It was not that long ago that children were taught at school that Australia lived off the sheep’s back. Maybe that was not a good thing because, as I said earlier, we sat back and probably believed that the world would always need that product. The world does not need our product; we have to go out there and earn that market.

We have to do the research and development, we have to do the work on markets, we have to satisfy the customers. The only way you do that, the only way you can be competitive, the only way you can get more production from the energy that animals take in, is to do the research. Undoubtedly the pig industry has bitten the bullet on that. Many others do, but I urge all agricultural industries to take the same stand. One thing the Labor Party could learn is that it is important to have organised marketing. That is one thing that I stand for, organised marketing, because obviously when you are in a corrupted world market you need that very strongly.

It does give me a great deal of pleasure to contribute to the debate today. I do not often get excited by issues that are raised by the other side, but I think it is about time some facts were put on the table. It is about time that people understood that there are very few people on the other side that understand agricultural industries and very few people doing any work to develop sensible policy. Therefore they should understand that we are the ones who are prepared to fight for it.

(Time expired)

Mr ST CLAIR (New England) (12.20 p.m.)—I rise today to speak in support of the Pig Industry Bill 2000 and its changes and to commend the comments and discussion that the member for Page raised during his speech. We on this side of the House know the importance of agriculture in Australia and certainly have a clear understanding of where its future is. One of the issues that I came across prior to being elected to this place in October 1998 was the difficulties the pork industry was going through at that time, as the member for Page mentioned. In the lead-up to the election, it was very much part of my electorate activity to meet with pig industry representatives and understand the problems they were facing at that particular time. As we know, the industry was in the middle of a major restructuring process, with an increase in the importation of processed pork products, particularly from Canada.

Now almost 2½ years on, the pig industry has never been in a stronger position, with production and exports up and imports down. I support the Pig Industry Bill 2000, which has two main components. Firstly, it provides for the Australian Pork Corporation and the Pig Research and Development Corporation to be wound up and for an industry owned company to undertake the marketing, promotion and research and development functions. Secondly, the new industry company will be responsible for the strategic planning and the industry policy development functions which were previously the responsibility of the Pork Council of Australia, the industry’s grower representative body.

The industry has come a long way since late 1998 when the then Minister for Agriculture, Fisheries and Forestry, my colleague Mark Vaile, the member for Lyne, introduced a $24 million pork package to assist this industry. This package, which was agreed to by the government and the industry, was for pork producers to continue to adapt to change, seize new market opportunities as they emerge and become more internationally competitive in order to maintain their current strong position. That was to get them to look outwards instead of being inward looking, as the industry had been focusing only on Australia. As we are all aware, the world market is huge. Until a week or so ago, I was not aware that pork is the meat consumed in the greatest volume around the world—it is the most popularly consumed meat. That goes to show what potential mar-
kets there are out there for our pork industry. We have an opportunity to take those markets by storm.

I was interested to hear the comments by the member for Page on foot-and-mouth. Recently, I was at Bunge Meat Industries in Corowa. They have a huge processing plant, with 22,000 sows on site and another 30,000 within the district. The general manager was talking about the absolute importance of having a pristine country for agriculture, as we do, second only to Antarctica, and the importance of keeping that clean green image here in Australia. I congratulate the Minister for Agriculture, Fisheries and Forestry, Warren Truss, on the fact that this government moved so quickly to bring in measures to protect Australia from the dangers of foot-and-mouth disease, particularly as its spread through Northern Hemisphere countries now appears to be airborne. That is a real concern and is something we have to be aware of. I have had some comments from people in my electorate when coming back to Australia from overseas who, fortunately, understand the delays that can happen coming through customs with the searches and increased measures being undertaken. They understand the absolute importance of these measures and that they are in place to protect our industries.

Mr Causley—We probably need more education.

Mr ST CLAIR—I think you are right. This is something that all of us can talk about in our electorates. The government’s pork industry restructuring strategy includes, as I mentioned, a $24 million integrated package of grant programs to assist individual enterprises and groups achieve a strong market focus, improve their international competitiveness in the world food market or exit the industry. Between 1998 and 2001, the government’s package has assisted pork producers with the development of business plans through the Pork Biz training program, which will have provided tailored business skills training and on-farm consultations to around 400 pork producers in almost 25 regions by mid-2001. The strategy provided $3.4 million assistance for 74 of the most severely affected pork producers from the 1998 market slump to exit the industry and stimulated approximately $170 million of investment in pigmeat processing infrastructure—we have seen the great results of that in Australia. It has encouraged formal networks and stronger business alliances between producers, processors, retailers and food service operators via the National Networks Alliance Program. It partly funded the formation of the Confederation of Australian Pork Exporters, which has helped to develop markets such as Japan and Singapore. Most recently the package funded the Singapore Market Alliance Program, announced in July 2000, to continue to strengthen the pork industry’s presence in that market through ensuring product integrity and quality assurance, and it funded a number of other projects in risk management, market development—both domestic and overseas—production and training. That all just goes to show the amount of support and assistance that this government has provided to an industry that is now starting to reap the benefits for Australia.

This package has helped the industry move forward to the current situation where imports have recorded high levels but the industry exports more and at an increasing rate. Imports have been at record high levels during 1999-2000, totalling around 35,000 tonnes for the 12 months ending January 2001 and up 32 per cent on the previous 12 months. Rapid growth of Danish imports started in 1999 and ended in May 2000 and since then they have steadied at 19,000 tonnes annually, while Canadian imports seem to have peaked at around 17,000 tonnes annually. Denmark and Canada have been the main sources of imports, especially since the 1997 change in quarantine protocols permitting the importation of cooked Canadian pigmeat and uncooked, frozen, boneless pigmeat from Denmark, subject to cooking on arrival. Uncooked pork from Canada has been imported since 1990 and Danish pigmeat started arriving in March 1999.

Despite large volumes of imports over the past year, the Australian farmed pork indus-
try continues to build its export capacity, with exports for 12 months to December 2000 reaching 39,000 tonnes. Farmed pig meat exports are up 38 per cent over the last 12 months, up almost 200 per cent on two years ago, and are valued at $155 million. This compares with pork imports for the same period of $138 million. So we have certainly seen a dramatic turnaround in this industry that, as I said before, is playing a major role in Australia’s part in the pork industry overseas. Pig meat exports have plateaued over recent months as Singapore, our main export market since April 1999, continues to take over 2,000 tonnes of pork a month. Exports to Japan have also remained strong. The Australian pork industry has increased its exports to Singapore in the 12 months to December 2000 by 58 per cent, to almost 25,000 tonnes annually. This is valued at $91 million and constitutes 63 per cent of the export market by volume for farmed pork. The value of exports to Japan in the 12 months to December 2000 was $43 million and constituted 18 per cent of the export market by volume for Australian farmed pork. The domestic market has recovered significantly in the past 18 months from the lows experienced in 1998. Our activities in the Japanese and Singapore markets have had a substantial influence on underpinning our local market. Average Australian pork and bacon prices at 26 February 2001 were at a healthy $2.63 per kilogram for pork and around $2.35 per kilogram for bacon.

The new arrangements that this bill is introducing will allow a more coordinated and commercial approach to the development of industry policy and the delivery of services. Importantly, the bill will ensure for the first time that industry levy payers have direct influence and involvement in their industry body, ensuring that their levies are applied to best effect. The progressive opening of the domestic market to pork imports in recent years has put pressure on the industry to become more internationally competitive and to develop niche markets. Certainly as an industry it has taken up the challenge to be able to produce what markets require and market it accordingly. The restructure proposal is an industry initiative and comes to the government following extensive consultation and with an unprecedented high level of industry support. The industry now sees that if it is to succeed in the face of stiff international competition its industry structure must be as competitive as its producers to enable it to meet evolving market challenges.

The industry has already established and incorporated its new industry services company, a company limited by guarantee and operating under Corporations Law. The company is known as Australian Pork Ltd. Under this bill the company will be required, through contractual arrangements, to adhere to government conditions associated with the receipt of the Commonwealth’s matching contribution for research and development and the provision of statutory levies for research and development, marketing and promotion and strategic policy development. The minister may give a written direction to the industry services body under certain circumstances with which the body must then comply. The assets of the Australian Pork Council and the Pig Research and Development Corporation will be transferred to either the industry services body or the Commonwealth. The Commonwealth can then make payments from the consolidated revenue fund to meet expenses or liabilities incurred whilst participating in the abolition of the APC and the PRDC, and in implementing the new pork industry structure. Any of the industry’s net assets held by the Commonwealth after all expenses and liabilities have been met and the transition is complete will be passed on to the industry services body. The minister may transfer assets and liabilities from the APC and the PRDC to the new industry services body, and these will be exempt from stamp duty on transfer. The accrued entitlements of employees of the APC and the PRDC will be recognised at the time of transfer should they take up a position of employment with the new industry services body. The APC and the PRDC will be allowed to participate in the implementation of the new arrangements and their own demise.
The Pig Industry Bill 2000 really paves the way for the pork industry to go into the future with a more commercially driven and internationally focused regime—and that is what we are after. It will now have the capacity to respond quickly, effectively and efficiently to emerging industry challenges. Ultimately this will mean that consumers’ high expectations of quality Australian pork will be consistently satisfied. I take this opportunity to congratulate the pork industry on how it has responded to recent challenges within both domestic and global industries. In recent years the industry has gone through some very difficult times. The turnaround in the industry has been spectacular. I hope that this dynamic change that the industry has gone through will continue to strengthen into the future. The industry leadership has shown remarkable courage and determination to set the industry’s path for the future in a manner which will give the industry the opportunity to achieve its full potential. I pay tribute to the work of the industry in reaching a stage where it is now putting in place for the future a modern and progressive structure to underpin its own future. The fact that industry’s own unity has brought this proposal to government is just another example of a maturing industry looking to secure its future in the world market. The bill and the framework that hangs from it create a turning point for the management of pork industry affairs and for the potential for industry growth and development. It will establish a solid foundation for the industry to continue to challenge and secure world opportunities in the pork market. I commend the bill to the House.

Mr McARTHUR (Corangamite) (12.37 p.m.)—I am delighted to speak to the Pig Industry Bill 2000, but let me firstly deal with the shadow spokesman, the member for Corio.

Mr Tanner—A friend of yours.

Mr McARTHUR—A friend of mine—that is correct, as the shadow spokesman at the table remarks. I acknowledge that the member for Corio would have experience in the pig industry, having been a farmer pig industry, having been a farmer himself. I am sure he had a little piglet—

Mr Tanner—As a pet.

Mr McARTHUR—As a pet, in the backyard. So the shadow spokesman, unlike most of his colleagues opposite, would have some first-hand experience of the pig industry. He acknowledged that the industry has moved on to better times, from his personal experience at Alvie, in the hills of Colac. More seriously, the shadow spokesman, in a long and, at times, interesting speech, basically agreed with the thrust of the legislation. But he said, ‘I haven’t seen the contract between the minister and the pork corporation, and I have not seen some other details. Therefore, the opposition will vote against it.’ How remarkable. Having spent 25 minutes agreeing with the thrust of the legislation and telling us how he had had dialogue with industry representatives, he said that he is not going to accept the thrust of the government’s legislation at this stage. He also challenged the changing of the three structures to one structure—which I will talk more about in a moment—which was a recommendation of those representatives.

It is interesting to consider the background of the pork industry relative to other industries such as the dairy industry and the wool industry, where change has taken place out of this parliament. As members who have been close to this industry would be aware, there was a great argument in 1998 about the impact of imports. A political campaign developed based on the charge that imports from Canada and Denmark were wrecking the industry. As a result of that debate we have the current legislation and a totally new and revamped industry. The figures are interesting. In 1960 there were 50,000 pig producers. They would be—like the member for Corio—small pig producers, with three or four sows in the back paddock and moving in and out of the industry according to profitability. By 1999 the number of pig producers had declined to 3,000 producers. I understand that there are now about 2,500 producers.
The shadow spokesman digressed to speak of the dairy industry, where we see a similar situation. It is an interesting comparison. In 1970 or thereabouts there were 47,000 dairy farmers. In the year 2000 there were 13,800 dairy farmers, of which 8,500 were in Victoria. So in these two industries there has been a dramatic change. Attitudes have changed and the producers have got together to make a more efficient and viable industry. About five million pigs are slaughtered each year. Imports equalled about 12 per cent of Australian production in the 1999 calendar year.

The argument that was raging during the 1998 election campaign and prior to that was that the 35,000 tonnes of imports were going to wreck the industry. There may have been some merit in that argument because in 1997, after a lot of debate in this parliament, the quarantine regulations in relation to cooked and uncooked ham were tidied up to meet WTO specifications. That allowed some imports to come into this country. The Danish imports were about 17,000 tonnes. As most people would recall, that debate was very vigorous and industry representatives put propositions to us in government that the world was nigh to an end.

However, that has all turned around and the industry has taken on a new lease of life. The producers looked at the export markets and said, ‘We cannot continue to survive on the Australian market, where price volatility is considerable, and therefore we should look at export possibilities.’ Those who looked at export possibilities found that because of a certain set of circumstances the Singaporean market had opened up quite dramatically. When the industry was on its knees it suddenly found that the Singaporean and Japanese markets would readily accept Australian pork.

So in broad philosophical terms we see the dairy industry, which has restructured, moving to the export market and being remarkably profitable, we see the wine industry again looking at the export market and being profitable and we see the car industry—also a matter of considerable debate in the electorates of Corio and Corangamite—doing the same. Those industries have moved into exports. The pork industry is moving in a similar direction and improving its profitability. Exports have moved up to 200 per cent compared to what they were two years ago. That is a remarkable change. We now have about $155 million worth of exports. There has been a big change of culture and attitude by the pork industry compared to those dim, dark days of political pressure.

Mr Deputy Speaker Hawker, I think you personally would be aware of the political pressure that was applied to pig producers in New South Wales and Queensland, in particular. It is worth recording the political pressures and the discussion at that time. I will read to the House some of the media headlines attributable to the Pork Council of Australia. This headline appeared in April 1998: ‘Farmers put government on notice’ and, in May of the same year, ‘Industry fighting fund will target government’. The following headline appeared on an article on 27 May in the Herald Sun: ‘Time up on pork crisis’. In June we read, ‘Future of pork industry rests with Prime Minister’. What they were saying was that the Prime Minister would save the industry. Yet it was in their own hands. Again in June we read: ‘Farmers angered at government announcement’. Then we go to August: ‘Survey reveals impact of industry crisis’.

I do not deny that things were tough. I do not deny that a number of the small producers were suffering as a result of cost pressures and the prices they were receiving. In September we read: ‘Pork industry launches targeted seats campaign’. So they seized political opportunity. The next one is interesting: ‘Pork Council President disappointed with New South Wales decision’. It went on to say that Mr Peter Brechin, the Chairman of the Pork Council, was ‘disappointed’ that the New South Wales farmers did not join in this campaign.

Out of this very strong political campaign we had change of a quite dramatic nature. During that political campaign those people
who supported One Nation were engaging in a scare campaign to gain political support. The people who were left in the pig industry then undertook to make some changes. They said, ‘Let’s look at how we might bring about a new structure and address some of the problems in a more sensible way.’ As other members have mentioned, there was an industry working party consisting of new, far-sighted pig producers. I compliment Mr Ron Pollard, who I understand was instrumental in a lot of the changes that were brought about, on his leadership. I also compliment other senior leading producers in the pig industry, including Mr Melville Charles from Ballarat, who is known to me. He has been a very progressive pig producer for the last 25 years. I know that he made a contribution to some of these deliberations.

The recommendation from the 2,500 producers was to amalgamate the Australian Pork Corporation, the Pig Research and Development Corporation and the Pork Council of Australia and create the new entity of Australian Pork Ltd, which represents 75 per cent of the pig farmers and is a nonprofit group controlled by eight directors. The contribution is $1.50 per breeding sow. This group was created out of quite serious political and financial pressures within the industry. The working party proceeded and made recommendations. The legislation is before us today and seeks the support of both sides of the parliament. The minister agreed to the recommendations and this new set of arrangements ensured that there was a single point of contact for the producer side of the industry and the overseas purchasers for exports. The new corporation is not-for-profit, is limited by guarantee and operates under the Corporations Act.

There has been a move by this industry to a more financial and commercial operation compared with its difficult political operation of former years. We draw a comparison with the government’s move to privatise Woolmark so that the wool industry would be controlled by wool growers. On that basis, wool growers have the right to elect or to get rid of the directors as they see fit. Likewise, in the pig industry, without moving to political pressures, they will be guiding the industry as they see fit and the signs are very encouraging. These pig producers are based in the grain growing areas of Australia, as colleagues on this side of the House from Queensland and New South Wales would be aware. The important point to note is their closeness to the grain growing areas and the ability of those producers to get economies of scale.

In my electorate of Corangamite we have a very interesting operation of open-range piggeries. I mention one operator, Western Plains Pork, which is at Mount Mercer, south of Ballarat. There the temperature and the seasonal conditions are conducive to running pigs. The operator has moved to the concept of having them in the open air under their eco-shelters, which are large hay bales. They are separated by electric wire and are moved from their various paddocks every two years for disease control, which is very critical because of the foot-and-mouth disease outbreak in Europe—a great fear that all producers have in Australia. Western Plains Pork has moved to a new concept which is environmentally friendly, profitable and close to the grain growing areas. They are separated by electric wire and are moved from their various paddocks every two years for disease control, which is very critical because of the foot-and-mouth disease outbreak in Europe—a great fear that all producers have in Australia. Western Plains Pork has moved to a new concept which is environmentally friendly, profitable and close to the grain growing areas. They run about 600 sows at Gumley near Shelford. The pigs are housed in individual straw huts. Poly-pipes are used to water the paddocks. When the areas are no longer used for pigs, cropping is undertaken. I believe that this very interesting new concept in the electorate of Corangamite will develop in other parts of Australia. It has developed in Europe, with open range piggeries, and it suits animal welfare requirements and the disease arrangements. This particular operation is seeking niche markets both locally and overseas. It is seeking long-term markets and hoping to develop long-term contracts because they have an ongoing low-cost operation.

This is a very interesting piece of legislation. Changes have emerged in the industry and people have brought some commonsense to bear on the almost intractable problems of 1998. The industry now faces a bright future. Fundamentally, members of the industry have got together and organised themselves outside of the political spectrum. They have
asked government to help in some of the levy processes. I would encourage them to move further away from government legislation and to have their own levy arrangements, as I would encourage other agricultural industries to do. The more we can move agricultural industries away from this parliament the better it will be for them and for us. We have the examples of the wine and dairy industries which are now out on their own. When you look at the figures on the pig industry, you find that 40 per cent of the sows are owned by one per cent of the producers with over 1,000 sows each. What we are saying is that the bigger producers are the dominant feature of the industry rather than being a small backyard industry which waxed and waned according to profitability.

Because of the political activity in 1998, a number of the more sensible producers felt that they should move away from the politics of pig production and election campaigns. In this new structure they are very careful to point out that within the corporation they are basically agreeing to keep outside agropolitics. I wonder, as the shadow minister wondered, whether that is a good or a bad thing. I guess it depends on your view at the time. However, I commend the pig industry for that move, which I think is in the right direction. They will be in charge of their operations. They will guide the industry and not get involved, as they did in 1998, in what I would say was very vigorous and uninformed political activity in the hope that their industry would be saved. Obviously the industry could not be saved by government action, although the government showed a lot of sympathy for their plight and applied a number of funds to help them in R&D, to help improve their abattoir capacity and to help develop a network amongst producers, exporters and abattoir operators.

I reiterate the point that this legislation is under the Corporations Law and that, in the longer run, it will be subject to the normal processes of governance that other corporations are subjected to. I commend the legislation. I commend the background material and the consultation that has taken place between the government, the minister, the shadow minister and other interested parties for their contributions to the recovery of this industry from the crisis point in 1998 to the point now where Australia is a very important exporter of pork to Asian nations. I think that, in the current crisis of foot-and-mouth in Europe, those export opportunities could open even further. They will be added to by the efficiencies of the pig industry in grain handling, in breeding and in the feed conversion ratios that the pig industry has been pre-eminent in developing over the last 20 years. All these technical advances that have taken place in Australia will be exploited because the structure of the pig industry is much better, the industry has a commercially orientated approach and the politics has been taken out of it. I think there is a great future for the open range type activity that is taking place in my own electorate, and I hope to see more of that for both commercial and humane reasons.

For an industry that had a lot of difficulties, this is a landmark piece of legislation. It will move the industry out of the parliament and move it into a more commercial area. If the opposition see fit—the only opposition member to speak on this legislation is the member for Corio, and yet the opposition have the temerity to say that they disagree with it—I hope that they will agree with it. The member for Lyons is very well versed in agricultural matters, and I am confident that he will support the industry because he understands these matters. He has had long experience as a former minister, and I am sure that he will see the merit of the argument and the merit of this legislation. I look forward to his contribution to the debate, because he might be able to persuade the member for Corio that it would be foolhardy for the opposition not to agree with this sensible and important piece of legislation that will bring about such important changes to the pork industry in Australia.

Mr Adams (Lyons) (12.55 p.m.)—The honourable member for Corangamite mentioned that we only had one speaker in this debate. I think there were three of us on the paper. I had to drop down the list because of other commitments. The honourable member
for Corangamite and other government members would know that the workload in parliament is not always reflected by the number of members sitting in the chamber—as I am sure the visitors in parliament who are listening to this debate on the Pig Industry Bill 2000 would appreciate. The member for Corangamite would be well aware that I, having grown up on my father’s mixed dairy farm, would have raised many pigs in my day and that I do have some sympathy for the pig farmers who have gone through a considerable amount of change over the last two or three years.

The Australian pig industry has been experiencing considerable pressure to change as a result of the fluctuating fortunes in the domestic market for pig meat, which included declining returns to producers, competition from imports, and a very small export sector. These all added to its woes. The consumption of pork in Australia has remained stable since 1994, but price competition from other meats such as beef has affected the consumption of pork. Also, food safety concerns over smallgoods have had a major impact on this industry. It has been recognised that returns to producers have been falling in real terms since the early 1970s, similar to the situation in other livestock industries. Of course, the difficulties of the small mixed farms throughout Australia, which the honourable member for Corangamite mentioned earlier, have certainly come together and many have lost out to size and costs of production.

The difficulty with pork is that, unlike most other agricultural industries where approximately 75 per cent of production is exported, the pig industry, until recently, focused almost entirely on the domestic market. The main export markets were Singapore and Japan. It was thought that, as demand for pig meat was already increasing, there was room for expansion in these markets. But, in relation to this, we had some funny comments from the Minister for Trade. I remember the Minister for Trade running an argument that the government had sorted out the pork industry, because there had been a great increase in export production for overseas markets. But he did not mention that on the Malay peninsula a disease in pigs had caused a crisis in that industry and many pigs had to be eliminated. This opened up the Australian market, giving our industry an opportunity which we were able to take advantage of. It has worked out very well for the pig industry. The member for Corangamite mentioned that a package was put together during the 1998 election campaign when pig producers were raising many issues at a political level. But the government was very slow to put that package together, very slow to get in behind the pig producers of Australia and very slow to take their plight seriously. The government left the pig producers out there swinging, as they have done with the restructuring of the dairy industry. They have a lack of understanding of what is needed.

We hear the Minister for Agriculture, Fisheries and Forestry in here at question time trying to make points and put pressure back on to the state ministers for agriculture. There is no consideration for regional Australia and for the effect these changes in agricultural policy have on regional centres. Regional issues should be addressed when we are looking at structural change in some of these industries. There is obviously a need to try to bring the industry together to act as one body, particularly for marketing purposes. I am sure I could say the same about the need to put lobby groups together in order to lobby for the changes that are needed, whether they relate to government legislation or marketing.

In Tasmania, the pork industry is very small compared with other meat industries. As at June 1999 there were 76 herds and 2,827 sows registered. The concerns of a number of growers escalated when deregulation resulted in hams from overseas, especially from Canada, coming into Australia at vastly lower prices. In relation to Canadian ham, subsidies were provided not only in production but through their transport system and structures. Pork growers around Australia were incensed at this intrusion as they could not compete on an equal footing. I do not think the government gave them enough
consideration when that debate was taking place. The pork industry has had mixed fortunes over the years. Pork prices have been more favourable recently.

It was seen that there was a need for pork producers to take control of their own destiny. A report released in March 2000 recommended that it would be beneficial to streamline the industry’s management structure. This was to be achieved by amalgamating the existing pork industry bodies into a single producer-controlled organisation. It was endorsed unanimously by the pork producers at a Pork Council annual general meeting. Later the government gave the go-ahead to develop a new company.

This bill allows for the creation of a single pig industry services body, with responsibilities for strategic policy development, marketing and research development. This body brings together marketing and research. The new not-for-profit industry services body will take over the assets, liabilities and staff of the Australian Pork Corporation and the Pig Research and Development Corporation. It will operate under Corporations Law, and all statutory levy payers will be eligible to register for membership and full voting rights in the industry services body.

To deliver its objectives and strategic and operational plans, the board of the industry services body will be required to supplement the skill mix of its five-member elected directors with specialised skilled directors, including an independent director skilled in corporate governance. The body will also take over the strategic policy development role of the Pork Council of Australia. This includes the ability of the minister to provide the power to enter into funding contracts with an eligible body. This will enable it to receive and administer levies collected by the Commonwealth for industry marketing and promotion, research and development, and the Commonwealth’s matching funding for eligible R&D expenditure. The minister then will declare the body with which the contract is made to be the industry services body. Details of the accountability obligations to both members and the Commonwealth will be outlined in both the contract and the constitution of the new body.

The bill states that, if the company changes its constitution in a way considered by the government to be unacceptable, becomes insolvent or fails in any way to comply with the legislation or the contract, the minister may suspend or terminate payment of statutory levies and matching grants to the company—that is, the levies collected by government at the slaughterhouse. He can also rescind the declaration that the company be the industry service body and either create another one or go down another track. Once all of this is put into place, the Australian Pork Council will be wound up about three months after the Corporations Law company Australian Pork Ltd becomes the industry services body. Once established, Australian Pork Ltd will receive the bulk of its income from a compulsory levy and public funding. The government will match the amount of money raised by the levy. It will perform a public function for the pork industry and the wider community.

There are some concerns, however, on the setting up of this company. The constitution and contract have not been finalised. We on this side have not had an opportunity to examine them to see whether accountability provisions adequately protect the interests of the Commonwealth and pig producers, but that of course is the incompetence of this government in bringing in a bill and not putting everything before the parliament. The way it has been set up, one organisation will be responsible both for managing R&D funds and for the agripolitical lobbying on behalf of the industry. This joint role is of great concern as the two roles do not meld very well. The mechanism proscribing party political activity but allowing normal agripolitical action will need thorough examination when the documentation becomes available. People are saying that quite a lot of politics existed around this industry in 1998 and that they would like to take some of that politicisation out of this industry now. We do have to have some safeguards on the independence of the rights of the organisation to be able to oppose government policy if it
sees it to be detrimental to the industry. However, this should not impact on whether it receives funds or levies, of course, much of which come from its own funds and from its own industry. Net assets of about $7.4 million from both the existing organisations will be transferred over to this new body.

We have to be wary about putting too much emphasis on the political aspects of these organisations. They need to lobby in the best way they can, and that of course is a part of their role. I was very interested to hear the member for Corangamite speak about open-range piggeries in his electorate. That involves sustainable agriculture and moving towards a lot less need to intervene in some of these areas of prime productive piggeries. I look forward to the time when we will look at some of these new concepts in the pig industry. Although some changes need to be made, it is important to ensure that the details that are yet to be finalised come before us, so that we can see what is going to take place, before this bill is put in place.

Mr NEVILLE (Hinkler) (1.09 p.m.)—I am delighted to speak in support of the Pig Industry Bill 2000. I have a longstanding interest in the pork industry. It is an industry that has emerged from considerable challenge over the last three years with a far greater self-reliance and an increased focus on export. Although I do not have anything like the 100 producers I used to have in my electorate prior to the last redistribution, both inside and outside politics I have a great deal of affection for pork growers, especially in their recent difficulties. The resourcefulness of the Monto producers, particularly those in Monto Pork Enterprises, is exemplary and shows how a small group of farmers can improve their own circumstances. They did this by a loose cooperative in buying fodder and chemicals and by putting in place world’s best practice in the transportation of their pigs. As a result, they did quite a deal for themselves as part of an overall restructure in the industry. They are about five or six years ahead of the rest of an industry trying to improve itself.

I made a number of speeches in the parliament in 1998 on the plight of the Australian pork producers and the need for government assistance to help them. At the time I called for a number of measures: the effectiveness and focus of our peak industry bodies and industry agencies, access to grain and stockfeed, adequacy of abattoirs and processing works for domestic and export production, impediments to export, a focused marketing and promotional body, and the effectiveness and implementation of new labelling regulations. Therefore, today it is good to be speaking positively in support of a bill that is designed to set a framework to help the industry remain highly relevant in the coming years and to respond to a globalised and highly competitive marketing environment.

The Pig Industry Bill 2000 will allow for the creation of a single peak industry body to provide strategic policy development, marketing and research and development services. The new company, Australian Pork Ltd, will replace the Australian Pork Corporation and the Pig Research and Development Corporation. The bill provides for the transfer of relevant assets, liabilities and staff of those two organisations to the new company, Australian Pork Ltd. Under the new arrangements, Australian Pork Ltd will be the industry owned company that will take over the responsibilities of the Pork Council of Australia in its task of strategic planning and industry policy development.

Through the bill, the Minister for Agriculture, Fisheries and Forestry will be allowed to declare Australian Pork Ltd the industry services body and will allow it to enter into a contract detailing the way in which the industry will administer and manage industry levies collected by the Commonwealth. A more coordinated and commercial approach to the development of the industry and the delivery of services will be a major outcome of the changes, with the industry levy payers given a chance to have more influence over the industry body.

At the time of my speech in 1998, one of the points that I made was that there were
layers of bureaucracy within the industry dating back to a time when there were up to 30,000 or 40,000 pork producers in the industry. In 1998, there were a little over 3,000 producers, so there had been a dramatic change. One-tenth or one-twelfth of the number of growers was producing the same amount of pork and it seemed to me at the time that the structures and the levies were not responding adequately to the needs of the growers. As many may be aware, Australia’s pork production is relatively small on the international market, with five million pigs produced in Australia annually. Nevertheless, the quality of Australian pork is very high. We rank with Denmark and Canada as having amongst the best pork in the world. In fact, Australian pork is favoured in many parts of Asia—which is very good for us. If we look at the industry over the last 40 years, we will see that the number of producers has dropped dramatically. There were 49,000 in 1960, 39,000 in 1970, only 19,000 in 1980, 7,000 in 1990 and 3,300 producers at the time I gave those speeches in 1998. Today, the figure is probably somewhere in the vicinity of 2,500 to 2,600 growers.

Of course, there have been reasons for this. It is not to say that the industry has gone into a tail spin crisis or anything like that or that the Australian pork industry has thrown away its birthright over the years. It is none of that stuff at all. There has been partial restructuring within the industry itself but there has also been an evolution in the way pork is produced. We do not have the multifaceted mixed farms that were quite a feature of the past where you might have had some beef cattle and some grain, you might have had some pigs and you might have had a dairy farm and they all integrated together. You might even have cut up your own silage and things like that. They were all part of the dynamic of a mixed farm.

In those days I can remember going out to my uncle’s farm and I can remember how the waste products from the dairy used to go to the pigs. I can also remember that pork producers of the day had big 44-gallon drums on the back of utilities and they would go around collecting the swill from restaurants and the like. Of course, in these days of foot-and-mouth disease we understand that those sorts of practices could not have continued. In fact, it is probably a good thing that they did not continue when we have heard the minister—who will be talking to us shortly—warn us twice over the last week in parliament of the gravity of this latest foot-and-mouth outbreak and how careful we have to be about the products we let into Australia. It is dangerous feeding swill to pigs and Australia is certainly very fortunate that it took those moves against that some time ago.

The other thing is that now it is a more professional industry and you find a lot of pork producers are either co-located with or are in adjoining regions to major grain-growing areas so that they are close to their source of fodder. However, the number of pork producers has declined, the average herd size has grown and productivity has doubled to 363,000 tonnes in the year 2000. The large increase in imports in recent years has pressured the industry into becoming more internationally competitive and to develop a position in the export market.

With this in mind, the new company will seek to ensure that the industry is able to cope with changes to the market and to deal with future challenges. By combining the three companies, it will mean that one company will have the power and the responsibility for setting strategic policy rather than it being split between service delivery agencies and peak industry councils. It will take away the confusion about the roles and responsibilities of the three interrelated bodies, resulting in a more effective administrative structure.

It is something that the industry wants. The producers have expressed almost unanimous support for the three industry bodies to be merged into a non-profit company controlled by the producers. The modernised proposal was formed by the industry and was presented to the government after extensive consultation and high-level support. Producers have maintained that they are happy with the new arrangements, which
will see the industry company accountable directly to its members and, through its constitution and funding contract, also to the government.

The industry is pleased with the bill because for the first time levy payers will be able to have a direct input into the management and application of their levies. That is something that was not obvious when I spoke at some length on these issues back in 1998. It also means that there will be less government involvement in the industry, which will be more responsible for its own activities. In the end, you could say that the industry will be responsible for planning and managing its own future.

Pork producers will not lose out on any funding before the bill, with the Commonwealth continuing to match funds worth $3.6 million in 1999-2000 for the pork industry’s expenditure in research and development activities. Also, 0.5 per cent of gross value of production will be in the form of a levy, such as applies in many other rural industries. This bill is another example of the government’s continuing commitment to provide the pig industry with opportunities in the export market. It follows $24 million of funding by the government which went into an integrated package of business assistance programs for the Australian pork industry.

I was a bit disappointed that my Tasmanian colleague who spoke just before me in this debate said that the government was slow-footed and had not got around to some of these things. I do not think the evidence points to that at all. Considering that the crisis in the industry is barely 2½ years old, I think the government has responded very positively. That $24 million program was originally $19 million. If members have a look at some of the things that have occurred between 1998 and 2001, they will see that we have assisted pork producers with the development of business planning through the PorkBiz training program. We provided $3.4 million of assistance to 74 of the most severely affected pork producers from the 1998 slump that we have been talking about. We stimulated approximately $170 million worth of investment in pig meat processing infrastructure, something that was radically required at that time.

When foot and mouth hit one of the Asian countries—I think it was Korea—I can remember that a group of producers from my then electorate, who are now within the minister’s electorate, together with another group at Gunnedah put their heads together and tried to fill the gap in this niche that occurred in the Asian market. Although they could find the pigs, they could not find one export accredited abattoir in Australia that would process the pork. In the end they had an offer from the Cannon Hill abattoir in Brisbane, but that was conditional on the pork itself being stored on the other side of Brisbane in some remote coldrooms. Obviously that was not going to be an efficient way to be highly competitive. In stimulating this $170 million worth of infrastructure, we have also been able to assist the industry quite dramatically.

We have also encouraged formal networks and stronger business alliances between producers, retailers and food service operators via the National Networks Alliance Program, and that worked very effectively. I can remember some of the supermarkets at the time pledging to take only Australian pork. The government also partly funded the formation of the Confederation of Australian Pork Exporters. It most recently funded the Singapore Market Alliance Program, which is a very interesting program. From memory, that program represents about 63 per cent of the Australian export market. The minister can correct me if I am wrong—but about 200 per cent, to $155 million, over the last two years. So it is a very valuable part of our market. Singapore does represent 63 per cent of our export market volume and exports to that market have increased by 58 per cent. That is just a measure of how well the industry is going. In the 12 months to December 2000 our Japanese market expanded by 18 per cent. So they are all good figures. I go back to my original comment: a lot of these things that stimulated those activities came out of this $24 million program.
When we look broadly at this bill we see that it picks up on those things we talked about in the 1980s—the many layers of bureaucracy, the lack of focus in the way levies were directed, the structures of the industry, the focus on research and development, and the focus on export. Now we can look at strategic plans and business grants to assist the industry with new skills, new business practices, better marketing information and improved infrastructure. We should also recognise that 12,000 people across Australia are involved in the industry in one form or another—from production on farms right through to pig meat processing and the small goods industry. Although the industry is small by international standards, it is a significant part of domestic primary production and an improving area of export opportunity.

I particularly commend the minister and the government on the bill and on the fact that the industry has so readily embraced it. I congratulate the industry for turning around an otherwise desperate situation in the mid-1980s. It is a demonstration to all primary industries how getting the structures right, getting the focus right, going after exports and being competitive can turn an industry around from a struggling group that was getting about $1.40 a kilo for its pork in the mid-1980s to one that now controls quite good prices in the $2 to $3 range, with very high quality pork very popular in the Asian market. Once again, I congratulate the minister and the industry and I commend the bill to the House.

Mr TRUSS (Wide Bay—Minister for Agriculture, Fisheries and Forestry) (1.27 p.m.)—in reply—I thank all of those members who have contributed to this debate on pig industry legislation. I particularly thank the member for Hinkler, who has just concluded his remarks, for the way in which he referred to the remarkable transformation that has occurred in this industry over the last couple of years. From an atmosphere of doom and gloom, it now has a very positive approach, with market opportunities around the world beyond our capacity to produce and a real optimism about the future of the industry. That has been brought about in part by the government’s response to the crisis by providing well-directed financial support to enable the industry to upgrade its killing capacity and its ability to supply exports, particularly in places such as Singapore and Japan. It has also been brought about by fortuitous market circumstances around the world and by the initiative and drive of many of the people associated with the industry.

This legislation is landmark legislation for the industry. It puts in place a new services body that will provide for the integrated delivery of industry marketing and promotion, and research and development functions, as well as strategic planning and industry policy development functions. The pig industry is a rapidly growing and changing industry. The gross value of production is estimated to reach $850 million this financial year. As the honourable member for Hinkler mentioned, around 2,500 people are pig producers, with a further 9,000 employed in the pork processing and manufacturing of small goods industries. The pig industry is an important one to rural and regional Australia. Its change over recent times has been mirrored in the impact on the communities in which it is located. The change is largely as a consequence of the export development opportunities and pressures on the domestic market from imported product. Australian pork producers and supply chain participants have been required to adjust to effectively compete with overseas producers. Consequently, the Australian pork industry has both created and seized on its own opportunities to target high value export markets. One result has been to build up exports of high quality chilled pork to Singapore from next to nothing two years ago to over $90 million today.

Late last year I had the opportunity to see some of the work of the Australian industry and its penetration into the Singaporean market. It certainly cheers the heart of an Australian to see Australian pork in the leading supermarkets of Singapore whilst at the same time making a significant impact on the market. I also had the opportunity to officially open in grand Chinese style a new boning facility jointly developed by Australian and Singaporean interests. We have been
able to establish a new market and one that is very important to our producers in a situation where we have a strategic advantage because we are able to air freight pork to Singapore and get it there quickly, because freshness is the key element in the successful marketing of pork in that country. Another example has been the growth in high quality pork exports to Japan from $22 million two years ago to $43 million today.

However, these pressures and opportunities have caused the industry to re-evaluate its priorities and assess its approach to the management of industry issues and delivery of services. The formation of the new industry services body to be known as Australian Pork Ltd is a result of recognising the new industry environment. While the Pork Corporation and the Pig Research and Development Corporation have been performing their designated functions to a high standard, the industry has recognised that industry services must be provided in a different way to more efficiently and effectively meet the future opportunities and pressures to be faced by the industry.

The Pork Corporation and the Pig Research and Development Corporation will be wound up as a consequence of this legislation. It is appropriate at this point to say how well those two organisations have served the industry and recognise that the good work they have put in place is a credit to the boards and staff of those organisations. It is also reassuring to know that most of the staff will continue with the new industry services body. The restructuring provided by this legislation and the formation of the new company has widespread industry support. Indeed, I do not recall any agricultural legislation to come to the parliament that has enjoyed such unanimity of support from the industry. There was a unanimous vote of support for these changes by the industry body. Certainly, it is great to see that quite radical reform of this nature enjoys widespread support when it seeks parliamentary endorsement.

The creation of this new company, Australian Pork Ltd, is the culmination of extensive consultation and more than 12 months of planning. Under the arrangements, levy payers will be eligible to become registered members of APL and therefore will be able to have direct input into the management of the industry services body. For the first time industry levy payers will have direct influence and involvement in their industry service provider. The proposed approach has three strong levels of accountability built into it to ensure that the new body is responsible in its use of both industry and Commonwealth funds. It will be accountable to the members. It will be accountable to the government. It will also, of course, have responsibilities under Corporations Law.

There were a number of issues raised by opposition speakers during the debate. In particular, there were some suggestions that there could be dangers in combining research and development, marketing and promotion and strategic policy development into one organisation. Let me make it clear that this is the industry’s wish. It is its desire to move in this direction. For the first time the arrangement will allow the industry to manage its own affairs and take responsibility for the actions and the future of the industry. The industry believes it is driven in this regard by commercial imperatives, but it does allow synergies to develop in the decision making arrangements in relation to research and development, promotions and overall development of industry issues. It will certainly eliminate the confusion that exists internationally and often domestically about the myriad organisations that existed previously, but it does not muzzle the industry. Industry is still free to arrange its own lobbying activities; it just will not be doing that through Australian Pork Ltd.

The shadow minister indicated that the opposition were going to oppose the legislation because they had not had the opportunity to scrutinise certain supporting documents. I guess that the spirit of those documents has been well identified in previous legislation to reform industry bodies of this nature. I have given an undertaking that documents will be available for the opposition to scrutinise prior to the debate in the
Senate. However, it is perhaps significant to note that the opposition asked for a briefing on this legislation only yesterday and that was provided by 4.30 on the same day. We have responded to the industry’s requests. They have had access to all of the data and the information papers that have been prepared and, of course, they have had regular briefings from the industry itself. I have been to see the shadow minister and others on the opposition side on many occasions. There has been plenty of opportunity for consultation and the documents that are required will certainly be available to the opposition as soon as they are completed.

Again I emphasise that these arrangements have the full support of the industry. It is disappointing that the opposition would choose to oppose legislation that has the unanimous support of the industry. It is sad news for farmers when the alternative government in Australia want to oppose what the industry unanimously wants. What hope do farmers have of getting any cooperation from an alternative government if, in fact, the Labor Party is going to oppose everything that the farmers want? They are adopting quite an extraordinary attitude to this legislation. We have the unanimous desire of the industry to progress in a particular direction and yet the opposition will oppose it. If there was ever opposition for opposition’s sake, this is classically it. If they wanted information, it could have been provided had they asked for it. Now they turn up today and say that they are going to oppose the industry’s wishes, that they are going to try to put back the progress and development of a really outstanding Australian industry. Certainly, that does not seem to me to be the kind of approach that an opposition would take if it wanted to support Australian industry and see its strategic development.

I strongly support the legislation because I believe that it will deliver a new, more integrated and commercial approach to the delivery of marketing and research and development services in the pig industry. The strategic policy and management of pork industry issues will certainly be able to be dealt with in a more efficient way. The integrated and commercial approach will be driven and controlled by levy payers—the industry itself—more directly than ever before. At the same time, there is strong accountability and performance built into the accountability to both levy payers and the government.

I compliment the industry for the innovative way in which it has approached its future structural needs. I particularly commend the former chairman, Ron Pollard, and the members of his organisation, including the new executive that picked this up in the last week or two since Ron Pollard’s retirement. I compliment them on the way in which they have so professionally dealt with this issue. They have been prepared not only to address the issues but also to bring the entire industry with them. That is a commendable sort of leadership that will provide a very good start for the new industry structures that this legislation will put in place. I thank honourable members who have contributed to the debate. I commend the bill to the House.

Amendment negatived.

Original question resolved in the affirmative.

Bill read a second time.

Message from the Governor-General recommending appropriation announced.

Third Reading

Leave granted for third reading to be moved forthwith.

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

CUSTOMS LEGISLATION AMENDMENT AND REPEAL (INTERNATIONAL TRADE MODERNISATION) BILL 2000

Cognate bills:

IMPORT PROCESSING CHARGES BILL 2000

CUSTOMS DEPOT LICENSING CHARGES AMENDMENT BILL 2000

Second Reading

Debate resumed from 6 December 2000, on motion by Mr Truss:
That the bill be now read a second time.

Mr KERR (Denison) (1.40 p.m.)—The general thrust of this customs legislation is welcomed by the opposition. It is intended to create the legal foundations to allow electronic business transactions in the customs environment for cargo management, it is intended to ensure that there is a greater flexibility of approach, recognising that one size might not fit all in that environment, and it accords with the government’s announced intention to proceed with a re-engineering of its entire management systems for customs movements in the area of inward and outward exports and imports. But there are some very serious issues which we will not have time and the opportunity to canvass in this House. I understand the government knows and expects that this bill will be made the subject of a detailed inquiry by a Senate committee and my remarks should be acknowledged as being made in that context.

There are three issues that I want to simply place on the table today; I will not do more than that. The first is that we need to do all we can to minimise the compliance burden that will fall on industry. There will be substantial new compliance obligations, some of which flow from attempts to improve the transparency of the customs regime but quite a number of which really flow on from the introduction of the goods and services tax. In the past there has been little attention—and, indeed, no need—for detailed information regarding exports from Australia which have no revenue implications. Some exports do have revenue implications, but the vast majority have not. Under the new GST regime, because you can claim back rebates for inputs in relation to product used in the manufacture of goods going into the export system, Customs is now going to be part of the tax collection regime.

As the Leader of the Opposition quite rightly said, the GST is a slow burn and this bill lights the fuse on one further aspect of that slow burn. Many people who hitherto have been able to expect minimal intrusion into their businesses will now need to provide far greater detail and they will be required to keep their information for a substantially longer period of time. Particularly, customs brokers will be required to keep documentation for a year and there will be a great deal of pressure to increase the enforcement of data that relates to exports so that that can then be data matched against the information that is being provided in the tax environment for the GST.

Whilst we accept, obviously, that if you do introduce a new tax like the GST it would be irresponsible of the opposition to allow there to be a loophole created which would encourage tax avoidance—and there are some substantial areas where failure to properly report the nature of exports may present an opportunity for tax avoidance—we know that often this legislation has been overwitten. The best instance of that, of course, is the business activity statement, said initially to be absolutely necessary to ensure compliance and the product of detailed consultation with small business and with business generally. We have seen that under great pressure the government has been forced into a humiliating backdown.

We would prefer in this instance that we do not have that process of government being forced into a humiliating backdown; we would rather this issue be looked at closely in a Senate committee before the bill comes into effect. I have flagged with the minister’s advisers the fact that, plainly, we will be looking for a system that minimises the compliance costs to business. We accept that the new tax regime does have some unavoidable consequences, but we have little faith that the government’s advisers are operating in an environment that properly understands the needs for business as a whole to be least burdened by regulatory schemes.

The second point that we have concerns about is the way in which Customs is granted very substantial new powers in relation to the management of the customs system and the imposition of strict liability offences. Strict liability offences are traditionally regarded poorly by this parliament. There have been instances where they have been considered to be appropriate and, again, I have had dis-
discussions with the minister’s advisers. I thank the minister for the opportunity for those briefings before this bill entered the House.

I have indicated to the minister’s advisers, as a very preliminary point of view, that they may well be advised to have another look at that strict liability regime within the framework: it is one thing to say to a customs broker or to a shipper, ‘You are strictly responsible for recording what you are told by a manufacturer,’ but it is another thing entirely that they then might face some criminal liability if they are deceived by somebody who falsely represents the nature of the product that is to be shipped. In that regard I think the minister’s advisers have taken on board the point I made.

I think I illustrated it by saying that, if a manufacturer puts forward documentation saying that they are shipping out pineapples when they are shipping out tobacco—perhaps with a view to minimising their tax liability—certainly that is a matter of great seriousness. But if the broker is misled, there is no practice in Australia where the brokers have to go out and open every tin of pineapples to check that there has been a correct declaration. It would seem incongruous and wrong in accordance with the kind of framework that we operate normally in Australia that they get lumbered with strict liability in those instances. But, of course, if they are told that there is a tobacco product being shipped out and they record it as pineapples, no-one would be too troubled by strict liability attaching. Of course, if there is any fraud, any wilful closing of one’s eyes to what one knows to be a false report, then that is a different matter entirely, but of course that is not an issue of strict liability and there are other provisions in Commonwealth law that apply. So strict liability is an issue that has been raised with us.

The third point is the pressure that 24-hour reporting will put on regional ports, the way in which small and large businesses have been treated differently in the fee structure and the role which customs brokers are going to play, particularly now that there will be capacity for direct access into Customs’ systems by some of the major importers so that they may bypass the use of customs brokers by this direct online system. All these matters raise very significant issues and there are very significant concerns held by sectors of industry.

These bills are complex and dense. They have attracted little parliamentary interest and few speakers. In fact, I think only one member opposite is speaking on behalf of the government. I speak for the opposition, and for the rest there is silence. That does not mean that these are unimportant bills, however. I think it does reflect the fact, though, that everyone in this House knows that the real issues are going to emerge when these bills are subjected to detailed scrutiny in the Senate, where all the parties that have interests come forward and express their concerns and where there will have to be some very careful examination of the issues they raise.

I thank also the Customs Brokers Association for coming forward and making representations to me. Their views will certainly be carefully considered by us. We know they take the view that the government has really gone through a charade of consultation rather than real consultation in relation to this. I guess the proof of the pudding will be in the way in which their submission stands up or does not stand up under public scrutiny in the Senate. I certainly thank them for the time they have put into keeping me informed about their concerns.

I think that is enough to really just flag the general approach that the opposition has taken. We are trying to be constructive. We are certainly broadly supportive of the direction that the government is taking, but we are very concerned. We know that there is a revenue stream issue here. We have seen government overwrite in terms of compliance burdens in the GST area already. This is a further knock-on of some of those GST consequences, but it also has consequences that flow to the management regime for the whole of the customs area.

The opposition will be vigilant. We will be asking two of our senators with direct experience—Senator Schacht, who is a for-
mer customs minister, and Senator Lundy, who has been concerned about outsourcing in a different environment; there are also outsourcing implications involved in this—to be participating members of that Senate committee. So we will bring quite detailed attention to bear in relation to this matter. We look forward to having the opportunity to look again at this bill when it comes back to the House, because I am certain the Senate will not pass it in an unamended form. At that time we can have a closer examination of some of the more contentious issues that are likely to require the attention of the House.

Ms JULIE BISHOP (Curtin) (1.51 p.m.)—As the member opposite well knows, behind every piece of legislation we consider in this House, however technical or seemingly mundane—or, indeed, however novel or exciting—there is often a great Australian story to tell. Behind this customs legislation there is the great story of Australian trade. Trade and exchange are the mechanism of civilisation’s progress. Closed systems, be they environmental, intellectual, social or indeed economic, stagnate over time. I think it is pertinent that, amidst the populist neoprotectionism at large in certain sections of our country at the moment, we consider the extraordinary but tangible benefits that trade—there is often a great Australian story to tell. Behind this customs legislation there is the great story of Australian trade. Trade and exchange are the mechanism of civilisation’s progress. Closed systems, be they environmental, intellectual, social or indeed economic, stagnate over time.

I think it is pertinent that, amidst the populist neoprotectionism at large in certain sections of our country at the moment, we consider the extraordinary but tangible benefits that trade—that is, the export and the import of goods and services—brings to the lives of all Australians. I do raise this in the context of the accommodation of our Customs Service to our trading activities and in the context of the bills before the House.

Liberalised international trade means that, for example, Australian citrus growers earn over $150 million annually from sales in markets as diverse as the United States, Japan, Hong Kong and Malaysia. The pork producers of Australia exported $150 million worth of pork products to places such as Japan and Singapore in the years 1999 and 2000. Of particular interest to the wine growing regions in Western Australia will be the statistic that wine exports in that same period totalled over $1.4 billion, which I think is a truly remarkable achievement.

The success stories in our export industries continue, from $56 million in apple and pears—I note that Tasmanian fruit growers now export fuji apples to Japan—to $3.2 billion worth of beef and wool exports of $2.8 billion. It goes on and on. LNG is worth $1.9 billion. Coal is worth $8.3 billion. Alumina exports amounted to $3.4 billion, and aluminium valued at $3.8 billion was exported. Manufactured goods totalled $22 billion in exports.

Trade is also not only a matter of exports; it is also a matter of imports. Honourable members should consider the trade in citrus. Australia supplies $48 million of citrus to the United States during the American off season. In turn, during the Australian off-season we import $16 million in citrus from the Americans. Trade is not only beneficial; it is also dynamic. In the international trading community, new markets for exports and new sources of imports are constantly appearing. Who would have guessed, for instance, that after only five years Australian car manufacturers would send 55,000 cars to the Gulf States in a single year. This is where Australia’s future lies—not in pessimism or in a cynical, self-pitying funk, but in a dynamic, engaged interaction with our near neighbours and those further afield.

Central to that trade interaction is the Australian Customs Service, our actual physical connection with the world through our docks and our airports. The Australian Customs Service provides Australians and Australian exporters with quite a remarkable service. Customs itself has about 4,100 staff, an annual budget of $580 million and national assets of over $200 million. The service electronically clears four million import and export entries annually, generating 30 million electronic messages. Fifteen million international air passengers are processed every year, almost all within 55 seconds, and more and more are being electronically pre-cleared through direct links with participating airlines.

According to the Chief Executive Officer of the Australian Customs Service, Lionel Woodward, online processing accounts for
over 98 per cent of all imports and exports, with a red line in very few cases—less than two per cent of total transactions. Provided customs and quarantine requirements are met, importers are usually able to receive customs release advice within 30 minutes of the payment of customs duties. As global trade increases, there is an even greater emphasis on the efficiency of customs clearance. It becomes a priority for businesses engaged in global trade if a company finds its operations hampered by administrative delays or inefficiencies at borders, because that can impact on that business and, in turn, impact on the level of trade that will pass through those borders. Customs modernisation and harmonisation are priorities for importers and exporters operating in the global marketplace. Nonetheless, there are still improvements to be made and new challenges to be met.

For Australia to benefit fully from trade and for that breadth and depth of trade to continue to grow, we must ensure that our customs mechanisms continue to meet world-class standards. The package of bills before the House today will assist Customs in delivering that high level of service. The Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000 and the other two bills provide for the development of a modern framework for the efficient management of import and export cargo by the Australian Customs Service.

The growth in cargo volumes, the development of new shipping and handling methods and the developments in information technology will all be accommodated under the new framework. The bills will rationalise the requirements applied to industries involved in exporting and importing, rationalise government intervention relating to the movement of legitimate goods across international boundaries and lead to a reduction in the time and cost associated with those activities. There will be a new approach taken to the management of compliance issues, with customs systems being tailored to the particular needs of industry—a recognition that the one-size-fits-all approach needs an overhaul.

The principal features of the bills include allowance for communication with Customs via a variety of connections—including electronic connections between Customs and firms—and more rigorous compliance methods in reporting and accounting of imported cargo to assist Customs in its role of policing imports, for at present there are weaknesses in the reporting regime. For example, up to 12 per cent of seaborne cargo is reported after vessel arrival. There will be revision of the powers of Customs officers monitoring industry compliance and the introduction of a strict liability regime, operative after the Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000 has been passed. I heard the member for Denison express concerns about that reform, in particular in relation to the new strict liability offences to keep in contact with the Australian Customs Service and the government. The proposed controls and sanctions are in fact based on the early identification and interception of high risk cargo. It is not the government’s intention to impede low risk cargo, and its flow should of course continue unimpeded.

There will be improvement to Custom’s capacity to work with other agencies of the Commonwealth and state agencies, foreign agencies and relevant international organisations through to the disclosure of certain types of information and, finally, the introduction of new charges for customs depot licensing and new cost recovery arrangements which represent a general reduction in current costs.

As to the information technology perspective contained specifically in the international trade modernisation bill, this legislation sets out how people will communicate electronically with Customs, essentially allowing people to use a variety of connection options, including the Internet. There will still be a need to satisfy certain technical requirements to ensure the integrity of the information received, but I think that the use of open Internet based systems of communications with the choice of interactive or EDI communications channels is consistent.
Mr SPEAKER—Order! It being 2 p.m., the debate is interrupted in accordance with standing order 101A. The debate may be resumed at a later hour and the member for Curtin will have leave to continue speaking when the debate is resumed.

QUESTIONS WITHOUT NOTICE

Economy: Growth

Mr BEAZLEY (2.00 p.m.)—My question is to the Prime Minister. Has the Prime Minister seen today’s GDP figures, which show growth going backwards by 0.6 per cent in the December quarter? This is, after six months of the GST, an annual growth halving from 4.2 per cent to 2.1 per cent. Prime Minister, will you now finally admit that your claims that the GST would be good for the economy were completely wrong and that it is now swinging like a wrecking ball through the Australian economy?

Mr HOWARD—I have seen today’s figures. Those figures are disappointing. Those figures, of course, are for one quarter, and a setback in one quarter does not in any way destroy the strength, the growth and the progress of the last five years. It does not destroy in any way the fact that this government has repaid $50 billion of debt that we inherited from you, it does not alter the fact that the government debt position of this country is probably stronger than it has been at any time since World War II, and it does not alter the position that we have about as low a government debt to GDP ratio as it is prudent to have. The Leader of the Opposition asked me a question about the impact of the tax package on the Australian economy. I am grateful that the Leader of the Opposition has asked that question. It allows me to remind the House—

Mr Beazley—I rise on a point of order on relevance. I did not ask the Prime Minister about the impact of the tax package.

Mr SPEAKER—There is no point of order.

Mr HOWARD—I find it very interesting that the Leader of the Opposition seeks in some way to sever the tax cuts from the GST. It was an exercise in semantics that the shadow minister for finance was not prepared to adopt when he addressed AMP representatives on 1 May last year and said:

With economic growth at around 4 percent, an annual fiscal stimulus of around $6 billion over three years from the GST package (variously estimated to be equivalent to between 0.25 and 0.5 per cent of GDP) is not appropriate at this stage of the cycle...

Not to be outdone, the Leader of the Opposition himself said in February last year:

... the net fiscal stimulus in this tax package of more than $6 billion in the first year alone, and around $20 billion over three years, runs the risk of fuelling consumption and overheating the economy.

Typical of a man who would seek to walk both sides of the street on every issue, what the Leader of the Opposition has sought to do is, on the one hand, when he thought it suited his political convenience, argue that the tax package was overheating the economy and now argue, because of his own political opportunism, something that is the opposite. That is exactly what he does. You cannot have it both ways. You cannot last year say that the tax package would overheat the economy and now turn around and ask us to accept that the tax package has in fact mugged the economy. The reality is that this quarter’s negative figure, which I said at the beginning is a disappointment, does not in any way alter the fact that, over the last five years, the policies of this government—

Mr Beazley—This is your fault.

Mr SPEAKER—The Leader of the Opposition has asked his question. The Prime Minister will be heard in silence.
Mr HOWARD—The policies of this government have delivered a stronger Australian economy. This government has had the courage—

Mr Beazley—It’s all your fault.

Mr SPEAKER—The Prime Minister will resume his seat. I have called on the Leader of the Opposition to at least exercise the courtesy of hearing the reply to his question in silence.

Mr HOWARD—Today’s figures, as the Treasurer indicated at his press conference, are the product of a number of developments in the economy, including some of the transitional impacts of the introduction of the new taxation system. There has been a significant downturn in the housing industry, and that has certainly contributed to the downturn in economic activity. The welcome news in that particular department is that over the past two months there have been signs that the downturn has finished, and there are some very tentative signs of recovery. One of the things that will build upon those tentative signs of recovery is the announcement today by the Reserve Bank that there has been a further reduction of a quarter of a per cent in official interest rates. One of the reasons why I make the claim, without any fear of contradiction, that the last five years have delivered a stronger and better Australia is that average housing mortgages now attract a monthly repayment of $267 less than they did when the Leader of the Opposition ceased to be the finance minister of this country. Everyone remembers that a hallmark of the last time the Leader of the Opposition was a member of a government in this country was that we had 11 per cent unemployment, we had 17 per cent interest rates and we had a government debt of $85 billion. I repeat that today’s figures are a disappointment—undeniably a disappointment—but a setback in one quarter does not destroy the additional strength, the additional progress and the underlying flexibility that has been delivered to this economy by the policies of the government over the last five years.

Economy: Gross Domestic Product

Mr BAIRD (2.07 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the results of the December quarter national accounts released today by the Australian Bureau of Statistics?

Mr COSTELLO—I thank the honourable member for Cook for his question. I can advise the House that in the December quarter, seasonally adjusted, GDP declined by 0.6 per cent, which is obviously a very disappointing result. It comes off the back of a period of very strong growth, particularly over the last four years where growth has been continuously above four per cent. What the GDP figures for the December quarter illustrate is that household consumption grew, although it grew at less strength than has been the case throughout 1998 and 1999 when it was growing at about one per cent per quarter, whereas it grew at about 0.5 per cent in the December quarter.

The part of the national accounts which illustrated the largest fall was in relation to dwelling investment, which fell by 15.4 per cent in the December quarter. Interestingly, dwelling construction represents around five per cent of the national accounts. If you take dwellings out of the national accounts—that is, you abstract the falls in dwellings in both the September and the December quarters—the remaining part of the national accounts, some 95 per cent of the national accounts, grew by 2.1 per cent in two quarters or by an annualised rate of 4.2 per cent for the year.

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne!

Mr COSTELLO—in other words, 95 per cent of the economy showed good strong growth, but it was the five per cent of the economy, namely, the dwelling part of the economy—

Mr Tanner interjecting—

Mr SPEAKER—The member for Melbourne, for the second time!
Mr COSTELLO—which, when added back into the national accounts, meant that over those two quarters they were in total a negative of minus two per cent. Dwelling construction and investment I think was affected by two things. The first is that there were obviously transitional effects from the new tax system. The new tax system pulled forward construction in the housing sector into March and June where construction in the housing sector in those two quarters was around the highest level in 20 years. Conversely, as that unwound in the September and December quarters, you saw those large falls which have influenced today’s national accounts.

The second factor which has obviously influenced the housing investment figures is interest rates, which were rising through much of last year. As they were rising through much of last year, one could expect a drop-off in relation to housing approvals finance and, ultimately, construction. The good news is, as the Prime Minister said, trends in both housing building approvals and housing finance now appear to have turned up. That speaks well for construction around the middle of the year. Interest rates have fallen again today, which will also be positive for the housing industry, and there are tentative signs that that will recover. May I make it clear to the House that corporate balance sheets appear to be in a strong position, the profit share of income is around historically high levels, credit is available, exports are growing and inflation is low: all positive signs for the Australian economy.

Economy: Gross Domestic Product

Mr CREAN (2.11 p.m.)—My question is to the Treasurer. Do you recall announcing just three months ago, as the economy was contracting by 0.6 per cent, that you had upgraded your growth forecast for the year to four per cent? Do you recall saying this:

This is a good news story ... the Australian economy continues to grow strongly, unemployment will continue to fall, our budget position will strengthen.

Treasurer, how could you have got it so badly wrong and, in light of today’s minus 0.6 per cent growth figure for the December quarter, what is your new growth forecast?

Mr COSTELLO—in the course of the financial year unemployment has fallen and given more people jobs. In fact, since this government has come to office, there are nearly 800,000 people in work who could not find work under the Australian Labor Party. Not only have we put the budget position into surplus but we have used those surpluses to repay the Labor Party’s debt. I have made this point before to the House. But imagine if you were running a budget that was not carrying $80 billion of Labor Party debt. Imagine the way in which you would have been able to cut taxes if you did not have to service $80 billion of Beazley-Keating-Crean debt—the interest bills that we had to ask taxpayers to pay.

The government’s record is: unemployment today is significantly down on what it was under the Labor Party. When we came to office, it was 8.7 per cent; today it is 6.7 per cent. Interest rates are significantly lower than they were under the Australian Labor Party. Today you can get an interest rate of 7.3; when the government was elected it was 10.5. Budgets have been in surplus over the last three years, including this year—unlike the Labor Party which ran five years of accumulated deficits. And nearly 800,000 additional people are in work. The shadow Treasurer likes to go back and look at what people were saying last year in relation to growth and in relation to the economy—

Mr Crean—Mr Speaker, on a point of order going to relevance: the question was clearly what is his growth forecast. He is doing everything to avoid it.

Mr SPEAKER—The Deputy Leader of the Opposition will—

Mr Crean—The Australian public have the right to know.

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. I had no reason to believe that the Treasurer had concluded his answer. The question included a number of quotes, and what he has said to date has been entirely relevant to the question.
Mr COSTELLO—I will make the point again: all of the Labor Party’s complaints last year against the government’s economic management were that we were overheating the economy. The member for Hotham said this on 27 January 2000: After all it’s his GST package which is ramping up inflationary expectations and causing a multi-billion dollar fiscal loosening.

Last year the government was attacked for ‘fiscal loosening’; today it is attacked for ‘mugging the economy’—completely inconsistent and contradictory positions.

Mr Beazley—Mr Speaker, I rise on a point of order that goes to relevance. He has got away with this for years. We now want a specific answer—he has had a specific question, and we are not hearing that answer.

Mr SPEAKER—The Leader of the Opposition will resume his seat. The Leader of the Opposition is as well aware as anyone in this chamber that there is one standing order that applies to answers—that is, that the answer shall be relevant to the question. What the Treasurer was saying has been entirely relevant to the question asked.

Mr COSTELLO—I conclude on that quote from the member for Hotham, who damns himself out of his own mouth. He spent the whole of last year attacking this government for giving income tax cuts which were too small, and today he wants to argue the contrary.

Honourable members interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. The Deputy Leader of the Opposition is as well aware as the Leader of the Opposition that the obligation that the chair has is to ensure that the answer is relevant to the question.

Interest Rates: Levels

Mr BARTLETT (2.18 p.m.)—My question is addressed to the Treasurer. Would the Treasurer advise the House of the announcement today by the Reserve Bank of Australia in relation to official interest rates? What are the benefits of today’s announcement for Australian families and Australian businesses?

Mr Cox interjecting—

Mr SPEAKER—If the member for Kingston is seeking the call, he may like to consult the whip.

Mr COSTELLO—I thank the honourable member for his question. I can inform the House that today the Reserve Bank of Australia cut official interest rates by 25 basis points. Nearly all of the banks and other mortgage providers, such as Aussie Home Loans, have announced immediate reductions in their standard variable interest rates, bringing standard variable interest rates down to 7.3 per cent. That is good news for Australian homebuyers, and it will be good news for the home building industry.

A mortgage interest rate of 7.3 per cent compares with a mortgage interest rate of 10.5 per cent when the government was elected. During 13 years of Labor Party government, from March 1983 to March 1996, interest rates were never as low as 7.3 per cent. During 13 years of Labor Party government, including during the period when the Labor Party gave Australia the worst recession in 60 years, the standard variable mortgage interest rate was never as low as 7.3 per cent. I have here a list of standard variable mortgage interest rates, which I am prepared to table. It shows that in March 1996, when the government was elected, the...
standard variable mortgage interest rate was 10.5 per cent. During the period going back
to 1983, the rates peaked in 1989 and 1990 at
a point of 17 per cent. I repeat: standard
variable mortgage interest rates in 1989 and
1990 peaked at a level of 17 per cent.
For the average Australian mortgage of
$100,000, today’s interest rate cut illustrates
a monthly saving overall of about $270 a
month from those figures as applied in
March 1996. If you were on 10.5 per cent in
March 1996 and today you are on 7.3 per
cent, on a $100,000 mortgage you are now
saving in after-tax money $270 a month—
$270 a month for young home buyers, $270
a month for families. Today the cut of 0.25
per cent will save them around $20 a month
in interest. As I said, this is an historical low
in interest rates. To get back to a seven per
cent rate, other than during the period of this
government, you would have to go back to
September 1973 before the Whitlam Labor
government got to the economy. I am
prepared to table that list. Today’s
announcement is good news for Australian
home buyers.
Economy: Budget Surplus
Mr CREAN (2.21 p.m.)—My question is
to the Treasurer. I refer to your state-
mint today that ‘all of the indications to date
are that’ the budget is in surplus. Given the
GST king-hit in today’s growth figures and
your big spending decisions since the mid-
year review, why won’t you release a revised
budget forecast for the current financial
year? What else have you got to hide, Treas-
urer?
Mr COSTELLO—When this govern-
ment was elected it legislated the charter of
budget honesty, and it legislated it to insure
that by law a government would do two eco-


dic reports: one at the time of the budget
and one at the time of the midyear review.
The reason that was legislated was to ensure
that in Australia never again would the kind
of deceit that was practised by Mr Beazley,
the now Leader of the Opposition, occur. He
went into the March 1996 election telling the
people of Australia that the budget was then
in surplus and, after we were elected, within
a week we had a report that, far from being
in surplus, it was $10,000 million in deficit.
This government produces, in accordance
with the law and the charter of budget hon-
esty, two economic statements: one at the
budget and one at the time of the midyear
review. Before I became the Treasurer and
before the charter of budget honesty was
enacted the Labor Party used to put a two-
page press release out and called it a midyear
review. It was two pages. Under the charter
of budget honesty this government reports on
its forecasts, its budget position. It reports on
all measures and it costs them. It did that in
November. It will be updating its forecasts in
accordance with the charter of budget hon-
esty when it brings down its budget in May
of this year, in accordance with the legisla-
tion which this government has passed.

Interest Rates: Levels
Mrs ELSON (2.24 p.m.)—My question is
addressed the Minister for Financial Services
and Regulation. Would the minister inform
the House of the reaction by banks to this
morning’s announcement of ¼ per cent inter-


est rate cut? Minister, how do consumers
benefit from this interest rate cut, and how
does this compare with previous rate
changes?
Mr HOCKEY—I thank the member for
Forde for her obvious interest in this matter.
The first bank to announce the full pass-on
of the interest rate cut this morning was
Westpac, which announced that Westpac,
Bank of Melbourne and Challenge Bank will
deliver in full to 750,000 customers an inter-


est rate cut of $31 a month. National Austra-

lia Bank have announced that from next
week the full rate cut will be delivered to
nearly ½ million customers with home loans.
Also, importantly, credit card holders and
small business and personal borrowers will
also have the interest rate cut delivered in
full.
St George, with a quarter of a million
customers, and the Bank of Adelaide and the
Commonwealth Bank also announced that
next week they will be delivering the home
loan cut in full. The only major lender not to
have responded so far is the ANZ Bank.
However, Wizard, with its 27,000 customers, is to be applauded for its immediate pass-on to existing customers of the 0.25 per cent cut. And Aussie Home Loans, with 120,000 customers, is going to deliver the interest rate cut in full from next week.

The message out of this is that the banks are actually doing a better job of passing the interest rate cuts on to customers than they have done previously. In fact, we went back and had a look at how long it would have taken under the Labor Party for the interest rate cut to be passed on, and under the Labor Party in 1995-96 it took 51 days for the banks to pass on interest rate cuts to consumers. Some of them are starting today, immediately. Most of them are getting it done by next week.

I was also asked by the member for Forde what this means for the average borrower. The average $100,000 home loan is $60 a month cheaper today that it was at Christmas. A family in Beenleigh, where I understand the average house price is around $120,000, with a $100,000 mortgage is now paying $270 less a month under the coalition than it did under the Labor Party. That is $3,200 a year of after tax income that is not going to the banks but staying with a family in Beenleigh—$3,200 a year.

The Labor Party yesterday was talking about the fate of a family of four with a household income of $28,000 a year. What does $3,200 a year of after tax income mean to that family? At their peak in March of 1990 the average home loan repayments under the Labor Party were $800 a month more than they are today—$800 a month more under the Labor Party than they are under the coalition today.

For small business the story is just as compelling. Under the Labor Party in 1996 the small business overdraft rate was 11.25 per cent. Today it is 8.45 per cent, a saving on a $100,000 overdraft of $2,800 a year for the average small business. At its peak in 1990—the days that the Labor Party tends to forget but that we on this side will not—a mechanics shop at a place like Carinda with a $100,000 overdraft would have been paying $12,000 a year more in interest repayments to the bank under the Labor Party than they do under the coalition. It is a compelling story: under the Labor Party you get higher interest rates; under the coalition you get lower interest rates, delivered in full, a hell of a lot faster.

Economy: Australian Dollar

Mr CREAN (2.29 p.m.)—My question is again to the Treasurer. I refer to the further fall in the Australian dollar today in light of your minus 0.6 per cent growth figure. Do you recall telling the House on 30 June 1995 that, when the Australian dollar falls, 'it impoverishes every Australian'? Treasurer, if Australians were being impoverished five years ago when the dollar fell to $US0.70, what do you now say is the situation when it has fallen to $US0.51 under you?

Mr COSTELLO—As the House knows, the government supports the policy of a floating exchange rate, which was put in place by the previous government and was adopted as bipartisan policy. We always took the view on this side of the House that good economic policy should have support—quite different from the Labor Party, which knew that the tax system in Australia needed to be reformed and wanted it to be reformed, but for sheer political opportunism tried to oppose the government every step of the way. To the Labor Party I say this: if you really think that the wholesale sales tax is better than the goods and services tax, why don't you pledge to reintroduce it?

I am asked about the state of the Australian economy in 1995 compared with the state of the Australian economy now. The Australian economy today is in many respects much stronger than it has been for a decade. It is stronger in terms of the number of people that are in work—the unemployment rate today is 6.7 per cent and in 1995 it was 8 to 9 per cent. The budget today is in balance, whereas in 1995 the budget was in deficit for the year—one year only—by $17,000 million. In fact, in 1995 the Labor Party spent all of their revenue, sold off assets, expended the proceeds and then went out and borrowed another $17,000 million.
That is what the state of the budget was. The Australian economy is stronger in terms of employment, its budget, its debt position and its current account. On today’s figures, the current account deficit fell to a low three per cent of GDP.

In the years to come the Australian economy will also be immeasurably stronger because this government has abolished wholesale sales tax, has introduced the goods and services tax, has cut income tax, has halved capital gains tax for individuals, has reduced company taxes and, on 1 July this year, will abolish financial institutions duty—something the Labor Party could never have done and something which will give this economy the great growth opportunities in the future which it deserves.

**Meat Processing Industry**

Mr McARTHUR (2.33 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Is the minister aware of steps to remove impediments to productivity and efficiency advancements in the meat processing sector? What impact will this have on the industry, and is the minister aware of any alternative policies in this area?

Mr SPEAKER—The Minister for Employment, Workplace Relations and Small Business is, I hope, aware of the fact that he cannot comment on legislation that has recently passed the House.

Mr Griffin interjecting—

Mr SPEAKER—The member for Bruce is warned.

Mr ABBOTT—I am very conscious of the fact that I cannot revive debate but, certainly I think it is appropriate to welcome the fact that this House this morning, this parliament today, has passed legislation to finally remove tallies from meat industry awards. Under the old tally system workers would receive overtime once they had done a certain quantity of work. That meant that we had a kind of two-speed day in the meat industry—very fast work in the morning to reach the tally and rather slower work in the afternoon to clock up overtime. The tally provisions in the main meat industry award ran to no fewer than 47 pages—that was a 47-page obstacle to efficiency in this industry and higher pay for workers in the industry. Its removal is a great boost for an industry employing nearly 20,000 people and contributing nearly 1½ per cent to Australia’s GDP. This is an important part of the award simplification process. Award simplification was a policy of the Keating government, but it is no longer a policy of the nark party opposite. What the Leader of the Opposition wants to do is to put all industrial matters back into awards. This means that the temperature of the water in the tea room, the number of beds on building sites and the quantum of trade union training leave would go back into awards, under members opposite. It can, however, once more be bipartisan policy.

I would like to refer to something that the member for Dickson said in October 1996 when she was Leader of the Democrats: Our award system ... is at times too bogged down with unnecessary detail and is difficult to use. I am quoting her. She went on:

It often fails to ... encourage the flexibility needed to increase the productivity of crucial, high value, high skilled workers ...

I am sure the member for Dickson believed it then and I am sure she believes it now. The member for Dickson would be doing Australia a great favour on this subject if she could persuade her new party to adopt her old principles.

Mr Speaker, with your indulgence, I would like to acknowledge the presence in the gallery of delegates to the national conference of the Australian Hotels Association.

**Economy: Household Savings**

Mr BEAZLEY (2.38 p.m.)—My question is addressed to the Prime Minister. Prime Minister, I ask whether you recall saying in June 1995, when household savings fell to 2.6 per cent:

And I looked at ... household savings—and that’s not a bad indicator of ... the money that people have got left over after they’ve put bread on the sideboard and ... food on the table ... and it went right over a cliff in the last quarter. Now, what
this indicates is there’s a massive squeeze on mainstream Australia and the people who are being hurt most are the battlers.

Prime Minister, given household savings have fallen again to just 2.6 per cent, doesn’t this show your GST has mugged mainstream Australia?

Mr HOWARD—I may well, in 1995, have said that. But I, of course, as always—

Opposition members interjecting—

Mr SPEAKER—The member for Kingston is warned. I call the Prime Minister.

Mr Edwards interjecting—

Mr SPEAKER—The member for Cowan is also warned.

Mr HOWARD—I may well have said that. Of course, I will apply the opposition check test and have a look and see exactly what I did say. A lot of things have happened—

Mr Crean—Yeah!

Mr HOWARD—Yes, a lot of things have happened since the middle of 1995 to improve the economic position of mainstream Australia. To start with, there was a change of government in March 1996, and that has been followed, in the time that we have been in government, by a very significant improvement in the living standards of average Australians. The opposition leader asks me a question about the pressure on battlers and the pressure on the living standards of Australians. The reality is that since we have been in office the living standards of battlers have been boosted by two significant developments. The first has been the reduction in mortgage interest rates, and they are worth now compared with March 1996—let alone a comparison with the 17 per cent attained in 1990—an improvement of $270 a month for the average home buyer.

The other thing that has happened is that, under this government, the real wages of Australian battlers have risen faster than they did under the former government. The Leader of the Opposition asks me a question about the impact of economic policy on the battlers of this country. You boasted that you cut their wages! You and your two predeces-
Aviation: Policy

Mr WAKELIN (2.44 p.m.)—My question is to the Deputy Prime Minister and the Minister for Transport and Regional Services. Would the minister update the House on the success of the government’s aviation policy and is the minister aware of any alternative approaches being taken?

Mr ANDERSON—I thank the honourable member for his question. I can report to him that our aviation policy is delivering enormous benefits for air travellers in this country. Amazingly, it is now possible to fly between Brisbane and Sydney for $39. For some travellers, it has to be said that that is undoubtedly less than the taxi fare to the airport or less than the hardback book that they would read on the plane. The number of passengers flying on the major east coast air routes has increased by over 30 per cent, which in numerical terms is an extra 250,000 people per month who can afford to visit their friends and family interstate who could never have afforded it before.

In relation to aviation safety, something that is always very high in the consciousness of the travelling public in Australia, it has to be said that our air safety record is outstanding. A recent determination by an international observer was that Ansett is the second safest airline in the world and that Qantas is the third. The latest Australian Transport Safety Bureau figures reveal that the number of aviation accidents last year was 27 per cent lower than in 1991—a particularly potent figure when you think of the increased number of flights and the distance of those flights over the period. The government has dramatically improved CASA’s capacity to conduct surveillance of the aviation industry. The authority has now adopted quality management approaches which are standard in the world’s best run safety institutions. Indeed, for the first time in many years CASA is now fully meeting its surveillance objectives. It no longer suffers from the institutional timidity that resulted in the Monarch and Seaview crashes under Labor. CASA is not a partner with the industry, nor is it an industry development agency; its only job is to protect aviation safety.

To be fair, most people in the aviation industry are serious about safety, and CASA’s job with respect to responsible operators is to make sure that they remain focused on safety and to help them become even safer through their promotion and education programs. But in the end CASA is a law enforcement agency, and under the government it is taking tough and decisive action, as we would expect it to, against operators who are not serious about safety. In fact, there has been a gap in CASA’s enforcement powers which dates back to the old Department of Civil Aviation days. The penalties jump from counselling to very serious administrative action or prosecution. CASA does need new powers to deal with offences that are on the one hand too serious to be dealt with through counselling but on the other hand are not serious enough to justify suspension or prosecution. As a result, the authority will be introducing an administrative fines system to address those offences. Starting next month, operators who commit minor infringements will receive administrative fines as a step up from counselling, and operators who commit more serious offences will continue to be dealt with through administrative action or prosecution, with a maximum penalty of seven years imprisonment or a fine of around $230,000 maximum. The government is also proposing to introduce a system of enforceable voluntary undertakings to help CASA deal decisively with minor offences or safety deficiencies. I recognise that those measures are not universally popular with the aviation industry, but I state again that our primary objective is to protect air safety in this country.

There is an alternative. As I say, you should never listen to what the Labor Party says but look at what it does in government. The alternative approach is the approach it adopted when in government. It ought to be recalled that CASA’s predecessor, the Civil Aviation Authority, was in a state of what could only be described as continual reorganisation. In less than seven years there
were four chairmen, four chief executives and six heads of safety regulation changes.

The government’s aviation policy has created two new airlines and has made air travel affordable for hundreds of thousands of families. Our reforms to CASA have improved air safety regulation and sustained Australia’s extraordinary air safety record. There is always more work to do, but I have to say that the contrast with Labor is stark indeed.

**Economy: Performance**

Mr CREAN (2.50 p.m.)—My question again is to the Treasurer. Given that you have taken all the credit for good economic news, why won’t you take the blame for today’s economic king hit? While you are at it, Treasurer, shouldn’t you also take the blame for the following, all of which happened on your watch: the first negative growth figure in a decade, record high foreign debt, record high household debt, record high credit debt, record low household savings rate, record low Australian dollar, record falls in business investment and the highest ever Commonwealth tax to GDP ratio?

Mr COSTELLO—We know the rhetorical flourishes of the member for Hotham, and I thought he was going to come to the dispatch box and claim credit for the record highest budget deficit ever in Australian history. I thought he was going to come to the dispatch box and claim credit for the record highest unemployment rate of 11.3 per cent. I thought he was going to come to the dispatch box and claim credit for the record highest Commonwealth debt of $80 billion in the last five years of the Labor government. I thought he was going to claim credit for the record highest number of people ever put out of work, which was over a million, as I recall, in 1990.

This government has presided over a period, since 1996, where the Australian economy has grown in a way which has been unparalleled. This government has presided over a period where inflation has been low in a way we have not seen for 30 years. This government has presided over a period where the interest rates have been lower than when the fathers of these two leaders of the Labor Party were in government. This government has presided over a period where the tax system has been reformed in a way which has never been done before in Australian history. For all of the talk of the Australian Labor Party, let them answer one question. If they are so opposed to GST, why don’t they repeal it?

Mr Crean—We’re going to roll it back.

Mr COSTELLO—He interjects he is going to roll it back. He just cannot tell us when, by how much, on what, how he is going to pay for it or what he will put income tax up to to pay for it. He cannot tell you one good or one service on which he intends to roll back the GST. This is the laziest policy you have ever seen. Mr Della Bosca had his head taken off because he said that Kim Beazley should give up the roll-back policy. Now Mr Kim Beazley gives up the roll-back policy and poor old Della Bosca is walking around headless for no good reason. Della Bosca should have his head reattached to his neck because Della Bosca said, ‘Give up the roll-back policy; the roll-back policy is no good.’ You took off his head and then you followed his advice. On this side of the House, we would like to see the head reinstated on Della Bosca. We would like to see a bit of an announcement of one good or one service where the GST is going to be changed. We would like to know what the price of chicken wings is going to be after roll-back. Most of all, we would like to know how high income tax rates are going to be to pay for it. That is what Australia wants to know.

**Imports: Apples**

Mrs HULL (2.55 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister update the House on the decision by the Director of Quarantine on the New Zealand government’s application to export apples to Australia? Would the minister advise the House of any plans to continue to improve the process for assessing applications to import food into Australia?
Mr TRUSS—I thank the honourable member for Riverina for the question and acknowledge the representations she has made on behalf of apple producers, along with quite a number of other members on this side of the House: the member for Forrest and the people around Donnybrook in particular, the member for Pearce, the member for Hume, the member for Murray, the member for Mallee, the member for Macquarie, the member for Mitchell, the member for Maranoa and the member for Flinders. Indeed, there has been considerable interest in this issue. I can confirm to the House that Australia’s ban on apples coming from New Zealand will remain in place.

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan! The minister has the call.

Mr TRUSS—Key scientific issues were raised during the public discussion period into the import risk assessment and clearly these issues must be adequately addressed before any consideration could be given to allowing apples to come into this country. The Director of Quarantine announced yesterday that that process would be open and that key players involved in the process would have an opportunity to present their views and the scientific evidence on the issues that have been raised. He has also given a commitment that, if additional research needs to be done to test some of these scientific matters of concern, this will be done to ensure that we can adequately clarify any outstanding scientific issues.

Mr Zahra interjecting—

Mr SPEAKER—The member for McMillan is warned!

Mr TRUSS—This afternoon, I will be going to New Zealand. I do not expect I will get a terribly cordial welcome, but I will certainly be making it clear to New Zealand that—

Opposition members interjecting—

Mr SPEAKER—The minister will resume his seat. The Minister for Agriculture, Fisheries and Forestry.

Mr TRUSS—I will be emphasising to New Zealand that Australia maintains a conservative approach to quarantine issues and that we will be adopting a strict level of quarantine protection to ensure that we can maintain our clean and green image, our disease-free status, wherever it exists. On the other hand, I will be assuring them that we will deal with these issues always on the basis of sound scientific evidence. We are not prepared to put Australian industries at risk, but we will deal with these issues fairly and on the basis of appropriate science.

Over recent times I have made a number of significant reforms to the import risk assessment process to make sure that it is more transparent and to ensure that key stakeholders and industries have a greater role in the process. That is a significant contrast to what happened when the Labor Party was last in government. The Deputy Leader of the Opposition was once the minister responsible for these issues, and in those days—

Mr Crean interjecting—

Mr SPEAKER—The Deputy Leader of the Opposition is warned!

Mr TRUSS—there was no public consultation process, no commitment or requirement to publish any of the technical papers and no avenue of appeal. These sorts of reforms have been made and we intend to go quite some distance further. Instead of in-house decisions made without consultation, as occurred under the Labor Party, there will now be full and open opportunity for consultation. The government will certainly be involving key stakeholders in these sorts of issues. I want to assure all of those associated with this process that the key scientific issues that have been raised will be properly addressed. They will be addressed on the basis of science, but there will be no compromise on our clean and green image and our disease-free status for apples or, for that matter, any other proposed imports.

Goods and Services Tax: Unemployment

Ms KERNOT (3.01 p.m.)—My question is to the Minister for Employment, Workplace Relations and Small Business. Minis—
ter, are you aware of comments by the Commonwealth Bank in today’s economic update which state:
The effect of the GST’s introduction on exacerbating the housing cycle has been a large contributor to the recent economic slowdown and employment weakness.
Minister, doesn’t this mean that the GST has been largely responsible for the loss of 87,300 full-time jobs in the last four months? And isn’t the worst of the GST job destruction yet to come?
Mr Ross Cameron interjecting—
Mr SPEAKER—The member for Parramatta is warned!
Mr ABBOTT—If the member for Dickson was so opposed to the GST, the ALP would promise to repeal the GST. But they do not, so they do not have any credibility whatsoever on this issue.

Exports: Meat Products
Mr CAMERON THOMPSON (3.02 p.m.)—My question is addressed to the Minister for Trade. Would the minister advise the House what actions the government is taking in light of the devastating outbreak of foot-and-mouth disease in Europe and the continuing BSE crisis?
Mr VAILE—I thank the honourable member for his question. The Australian government is very sympathetic to the plight of the farming communities in the European Union and Great Britain with the outbreak of both BSE and foot-and-mouth disease. Australia, as has been announced, is providing veterinary assistance to the UK to help manage the foot-and-mouth disease outbreak, and we have offered further assistance.
This morning I convened a meeting of representatives of the major meat industry groups in Australia to discuss the opportunities that may exist to increase our exports of both beef and sheepmeat as a result of the plight that has beset the European Union and Great Britain. Present at the meeting were representatives from Meat and Livestock Australia, the Cattle Council, the Sheepmeat Council, NMFA, Livecorp and the Australian Meat Council. The first point that was unanimously supported is that we, as a country, must ensure that BSE and foot-and-mouth disease do not enter Australia and affect our industries in Australia. Of course, the government is absolutely committed to ensuring that. We have already committed to providing AQIS with the required resources to maintain Australia’s disease-free status. This morning’s meeting also indicated that Australia would easily fill the quotas we already have into the EU for beef, which is 7,000 tonnes, and sheepmeat, which is 18,650 tonnes. We will be making representations to see if we can expand the opportunities in both those sectors for access into the European market that are restricted in that regard. We will continue to lobby, on behalf of those industries, for more access into the European Union.
At the same time, we have given an undertaking that we will work with industry in gaining improved market access to some of the third-country markets where EU product has been banned. About 70 countries across the world have banned the importation of beef products from the European Union. Some of those countries have already expressed interest in sourcing product from Australia. We want to ensure the Australian industries take advantage of that. Certainly, as far as some of the trade policies that exist that limit our access to those markets go, we will be working to ensure that we remove those impediments to trade as quickly as possible.
The overall issue is focusing new attention on some of the policies in the European Union, particularly the common agricultural policy that I know the Prime Minister referred to in question time earlier this week. An article in today’s Australian Financial Review indicates that the benefits would accrue not just to exporting countries by the reform of those policies. The article by Alan Mitchell reads:
The main benefits of free trade go to the people who open their markets the most. Who would benefit most from the abolition of the Common Agricultural Policy? The European people, who would suddenly get access to cheaper Australian and North American grown food, of course.
We concur with that view. As a government, we will continue to work with industry in not just arguing for better access, and access with fewer impediments, to that market and other markets of the world but also creating an economic environment in Australia in which they can be far more competitive.

We have heard today about reforms that have gone through the parliament with regard to workplace relations, particularly in the meat industry in Australia. They are well and truly overdue, as you would well know, Mr Speaker, in making those industries more internationally competitive. We have heard today of a reduction in interest rates. Australian farmers, and particularly beef producers, still bear the scars of the high interest rate regime that was overseen by previous Labor administrations in Australia. Our government has vigorously worked towards reducing those interest rates and keeping them down over the years that we have been in office.

We have seen a further reduction in interest rates today, which will significantly strengthen the position of Australian exporters. The good news released last week by ABARE in its forecast is that rural exports will increase by 15 per cent this year, further strengthening the economy and rural and regional Australia. We will be actively working with the beef industry and the sheep meat industry in getting access into those markets.

Minister for Sport and Tourism

Mr McCLELLAND (3.08 p.m.)—My question is to the Prime Minister. Prime Minister, I refer you to the confirmation by the Australian Federal Police last week that there is an investigation under way into allegations of electoral rorting by former members of Minister Kelly’s staff. Prime Minister, will you now apply the Mal Brough standard and stand Minister Kelly aside?

Mr HOWARD—Hang on.

Mr SPEAKER—The Prime Minister has been asked a question and is responding to it, and he is entitled to be heard in silence.

Mr HOWARD—The allegations do not relate to the conduct of the minister. Matters relating to the minister have previously been dealt with by the Electoral Commission and by the Australian Federal Police. In the case of the Minister for Employment Services, he had not been sworn as a minister. He indicated to me that he did not—

Mr Albanese interjecting—

Mr SPEAKER—The member for Grayndler is warned.

Mr HOWARD—The allegations do not relate to the conduct of the minister. Matters relating to the minister have previously been dealt with by the Electoral Commission and by the Australian Federal Police. In the case of the Minister for Employment Services, he had not been sworn as a minister. He indicated to me that he did not—

Mr Albanese interjecting—

Mr SPEAKER—The member for Grayndler is warned.

Mr HOWARD—and in those circumstances, and in the absence of allegations of substance that directly relate to the minister, I see no reason at all to stand her aside.

Kalimantan: Ethnic Violence

Mr TIM FISCHER (3.09 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister advise the House of the government’s response to the horrific ethnic violence in central Kalimantan? How is the government assisting those forced to flee the violence in Kalimantan? If this involves rice as practical aid, will you confirm that this is a continuation of food aid efforts mounted by this government over the years?

Mr DOWNER—First, can I thank the honourable member for Farrer for his question and recognise the obvious and very great interest he has in matters Indonesian. The government, not surprisingly, deplores the recent outbreak of ethnic violence in central Kalimantan, which has left hundreds of people dead. Up to 45,000 people have been displaced from their homes. The Australian government has, not surprisingly, urged the Indonesian authorities to do all they can to protect the security and the human dignity of all residents of Kalimantan. As the honourable member suggests in his question, it is important that we as a country do what we can when there are crises of this kind in a neighbouring country and friend of Australia’s. In this particular case we have decided
to send, forthwith, 1,000 tonnes of Australian rice, which will be distributed by the World Food Program, to meet the needs of those people who have been displaced.

Arrangements have been made with the Australian Rice Growers Cooperative urgently to ship this Australian rice to Indonesia. I can inform the member for Farrer, and I might take the opportunity here of mentioning the member for Riverina as well, that this rice will come from their electorates. It is a very good illustration of a point that should more often be made about the Australian aid program, and that is that the tremendous strength of Australia in the area of food exports and food production means that we can assist people all around the world.

There are some people who say that we should cut out our aid program. There are some people who say that we should not give rice to Indonesia or that we should not give food aid to any countries in any circumstances. But on this side of the House—and, dare I say it, on the other side of the House but certainly on this side of the House—we think it is the right thing to do. We think it is the right thing to do. We think it is the right thing to do to give rice from the Riverina to the people of Indonesia at this time of crisis. Those people who say that we should not need to explain not just to the Australian community why they would act in an inhumane way in circumstances like this but to the rice growers of the Riverina why their rice could not be used when need calls for that rice.

This 1,000 tonnes of rice that we are sending will provide 2.5 million daily rations, or feed those 45,000 people who have been displaced for around two months. So I think it is a very satisfactory contribution for Australia to make. It is a very important contribution to make. It once more illustrates the great value of our having an aid program which can help alleviate poverty and demonstrate the humanitarian commitment of the people of this country to other peoples in our region.

Minister for the Arts and the Centenary of Federation

Mr BEAZLEY (3.13 p.m.)—My question is to the Prime Minister. Prime Minister, are you aware that in debating the Interactive Gambling (Moratorium) Bill in this House on 7 December last year the Minister for the Arts and the Centenary of Federation said this:

The government is mindful of recent experiences where new technologies, such as poker machines, attracted new gamblers and resulted in new problem gambling.

... I am sure there are a number of state and territory law-makers who regret earlier decisions to allow poker machine numbers to expand so dramatically in clubs and pubs. The Commonwealth is determined not to repeat this mistake with interactive gambling.

Prime Minister, given that when he said this the minister held a $1 million a year personal interest in 70 poker machines, how can you possibly say that the minister was being honest in his public dealings, as is required by your ministerial code of conduct? Prime Minister, how was it honest for the minister to publicly criticise the spread of poker machines when he was profiting from it?

Mr HOWARD—When I said that I believed the minister had behaved honestly, what I was referring to—and I will repeat it—was the fact that he complied in full with the requirements of the disclosure of pecuniary interests in this parliament.

Mr Lee—So you can be dishonest in parliament.

Mr HOWARD—The opposition interjects and disputes that. The reality is that he did what he was required to do under the code. It was an action of the former government that removed the requirement for members to make oral declarations during debates. The former government decided to do that because, I understand, it became a bit inconvenient. That is why it decided to do it. In relation to the declaration of pecuniary interests required of ministers by me, which are in substantially the same form as were required of ministers by my two or three or four predecessors, I have checked again and
the minister complied in full with those requirements. He made the disclosures. I would remind the parliament again that the minister was not present when the decision was taken by the cabinet. What he was doing when he was piloting the legislation through parliament was enunciating government policy, which he is duty bound to do.

It is the view of the government—and it is most certainly my very strongly held personal view—that state governments of both political persuasions in this country for too long have profited from poker machines. Mr Snowdon interjecting—

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

Mr HOWARD—I think they have profited from poker machines and I feel absolutely no embarrassment in saying that. Poker machines have brought an enormous amount of social destruction in this country. They may have fed the profits of a large number of clubs, but they have brought about a great deal of social misery in the Australian community. There are a large number of people—

Mr Beazley interjecting—

Mr SPEAKER—The Prime Minister has the call. The Leader of the Opposition is exercising no courtesy towards him at all.

Mr HOWARD—Nobody on any side of politics in this country, particularly at a state level, comes to this poker machine issue with particularly clean hands, with the possible exception, I might say, of one or two of the governments in Western Australia which have been rather slower to embrace poker machines than was the Labor government in New South Wales that started the thing going in 1956 and has been followed, I regret to say, by governments of Liberal persuasion around the country. What the minister was doing was enunciating settled government policy. I simply do not accept that there was a conflict of interest and I do not accept that he has behaved in any way dishonourably.

Defence: White Paper

Mr HARDGRAVE (3.18 p.m.)—My question is addressed to the Minister for Defence. Would the minister confirm for the House the commitment of the government to the financial measures in the white paper that enable its implementation? Minister, what proposals exist that will jeopardise these measures?

Mr REITH—I thank the honourable member for his question. One of the best things about the white paper—and there are many good things about it—is that we have set out what we think are the equipment requirements of Australia’s armed forces in the next 10 years. Furthermore, we have put the money aside in our calculations to ensure that those commitments are properly funded. It is called the capability plan. It is the first such capability plan that we have had. It marks a new era in proper management and planning for the defence forces. I believe it will give this country a much more secure position as we proceed through this decade.

I am asked whether or not there are any proposals that might jeopardise that. There is no doubt that in the policy field there are some proposals which jeopardise the very substantial commitment we have made to the Australian Defence Force. I advise members of the House that the Labor Party has a policy for two new subs. The reason that that jeopardises our plan is that its proposal is for two free submarines. I have no doubt that the secret plan of the Labor Party is to raid the defence budget and upset the priorities which are encompassed in the white paper. But that is not the only area where we find the seeds of colossal mismanagement for which the Leader of the Opposition was infamous when he was defence minister once before.

Mr Horne interjecting—

Mr SPEAKER—The member for Paterson is warned.

Mr REITH—He is going to strengthen national security. What would be the cost? According to his documents, there would be no cost at all. We had a proposal for an Anzac battalion. What did he say that would cost? He said, ‘Zero, zero, zero for a total of zero.’ That is the free battalion you are going to get. We have the community affected by the Salt Ash Bombing Range here in Can-
berra today. The parliamentary secretary has been speaking with them. Of course the Labor Party has a solution—a new bombing range. What would be the cost of this solution? We have the benefit of Labor’s costing—Labor’s initiatives from the 1998 election campaign. This is a free bombing range. We have a free submarine, a free battalion and a free bombing range. They are full of promises of new equipment, all purchased from the same shop, and all for free. On top of that, Labor have a policy for a coastguard. In 1977, this proposal was considered. In 1984, the now Leader of the Opposition looked at it and said, ‘It is not a good idea. On today’s prices it would cost $2 billion.’ When you look at his policy, what does he say? He says that a coastguard would have a minimal financial impact on the budget. So we have got a free coastguard now to throw in with our two new free subs. The fact of the matter is—

**Opposition members interjecting—**

**Mr Speaker**—The minister will respond to the question.

**Mr Reith**—I do not want our Treasurer to think any of this is for free. The fact is that, if the Labor Party is to have a genuine policy position on defence, they are going to have to put up some of the details to back up their position. You cannot hide, when the questions are being asked, how you are going to pay for these commitments. They launched the campaign in Ryan this week, and the one person who was not there was the Leader of the Opposition. The Labor Party, in the seat of Ryan, have got him so hidden away that they have got Peter Beattie sending out the direct mail, because they know that Kim Beazley as an alternative is not well received either in the Ryan electorate or elsewhere. We have a few months to go between now and the next election, and I say to the Leader of the Opposition: you can run, you can jog, but you cannot hide. There is no rock big enough, there is no tree big enough, that will allow you to escape the implications of the empty and hollow promises that you today make to the Australian public.  

**Minister for the Arts and the Centenary of Federation**

**Mr Stephen Smith** (3.24 p.m.)—My question is to the Prime Minister. Prime Minister, isn’t it a fact that the government has been developing its policy on restricting online gambling since the then Acting Minister for Communications, Information Technology and the Arts, Mr McGauran, announced the year-long moratorium on 19 May last year? Do you recall saying in the House last night:  

... the minister declared to me ... that he was a beneficiary of a family trust with interests in hotel-motel operations.  

Prime Minister, prior to yesterday, did the minister tell you or your staff specifically that he had a $1 million-a-year interest in poker machines? And if last night was the first you knew of this, will you now check that the minister has not been involved in, and not been privy to, inside information about the development of the government’s online gambling policy?

**Mr Howard**—What I said last night—

**Government members interjecting—**

**Mr Speaker**—The Prime Minister is not being aided by any of the people behind him.

**Mr Howard**—What I said last night, and I repeat for the benefit of the member for Perth, is that the minister made a proper declaration to me. I had it checked. I was advised by my department that it complied in full with the requirements. I am not aware of any basis to allege that the minister was taking advantage of, or had improper access to, any inside information. If somebody on the other side has a specific allegation of misconduct to make against the minister, I will investigate that allegation as I would in relation to any—

**Mrs Crosio interjecting—**

**Mr Speaker**—I warn the member for Dobell!

**Mrs Crosio interjecting—**

**Mr Speaker**—And I warn the member for Prospect!
Mr HOWARD—The requirement of the minister in relation to declarations of interest has been met in full. That is the advice that I have received after having made a proper and thorough investigation. The facts of this matter are apparent from the questions that have been asked by the opposition, the responses I have given and the responses the minister has given. In light of the fact that the minister was not involved in the original decision, in light of the fact that he was, in his public utterances, merely advocating settled government policy—which, as a minister, he is required to do—there is not in my view and in the view of any reasonable person a conflict of interest involved. That was what I was questioned about in the first place. If you or any of your colleagues on the front bench have some particular allegation as distinct from a generalised smear, make the allegation and I will have it investigated. Until then, I stand 100 per cent beside the minister.

Rural and Regional Australia: Vocational Training

Mr HAASE (3.28 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister advise the House what action the government is taking to address skill needs in rural and regional Australia? Is the minister aware of alternative views in this area, and what is his response to them?

Dr KEMP—I thank the honourable member for Kalgoorlie for his question. The government is effectively addressing the skill needs of Australian industries to provide the underpinning for future jobs growth and economic growth in Australia. For the past 10 months, the government has been working with the National Farmers Federation to look at the skill needs of businesses in rural and regional Australia as part of our National Industry Skills Initiative. Last Friday in Hahndorf, in South Australia, the National Farmers Federation handed to me the report, which I had requested from them, on four rural industries, outlining their skill needs and how these skills can best be delivered. The report identified the changing skill needs in rural Australia, including high-tech imperatives such as the increased use of gene technology, robotics in horticulture and wool production, and photonics, all requiring rural workers to have the most up-to-date skills.

The industry skills initiative has the very strong support of the National Farmers Federation, and the president of the federation, Ian Donges, has said that this is another example of the government underlining its commitment to skill development and working cooperatively with industry. However, the National Farmers Federation has raised with the government a key concern of many employers of apprentices in rural Australia, and that is that a number of the states and territories are walking away from the policy of user choice. User choice is a crucial policy introduced by this government under which employers are entitled to choose the private or public training provider who can best provide the training that they want for their apprentice. Employers have clearly indicated to us that they want choice, yet some of the states are not delivering effectively on this choice for employers.

The worst offender happens to be, in this case, the Labor government in Victoria, the Bracks government, which has put a cap on the opportunity for private training providers to take on additional apprentices. This is absolutely typical of Labor Party governments. As soon as the Labor Party is elected to office, they are protecting the employment bases of their union mates. They do not care at all about small business, and any small business in Australia that imagines that the Labor Party stands for the promotion of anything but union power should think very carefully again. What we see from Labor Party governments as soon as they are elected is that the doors are thrown open again for the unions to walk through, often uninvited, into the business itself in an effort to promote the interests of a narrow section of the community. Nothing illustrates this more clearly in this area than what has hap-
pened to the user choice policy—the right of employers to choose the appropriate trainer for their apprentices. Silent as always, the lazy, serial non-performer who is the Leader of the Opposition says nothing to criticise his Labor colleagues in the states, because they know that they are waiting again to try to promote union power through every policy they have. That was how they destroyed the apprenticeship system when in office, and that is what they would do again.

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

CHALMERS, MR ROB

Mr SPEAKER—I take the opportunity offered by being Speaker to advise the House and note for the record that today marks the 50th anniversary of the start of Mr Rob Chalmers’s service in the press gallery of the federal parliament. I think I can safely say that none of us present as members of the House are likely to equal Billy Hughes’s record of more than 50 years as a member—and I am not sure how many of us would want to! Equally, however, I think it is unlikely that Mr Chalmers’s distinguished record of service to the nation for over half of its existence as a federation will ever be matched. None of us on either side of the chair is ever completely happy with everything that is reported about proceedings, but the gallery does play a critical role in reporting, disseminating, analysing and sometimes explaining what is done and said in the parliament. Rob Chalmers has been doing that with great professionalism since before many of us were born. On behalf of the House, I would like to extend to Rob our congratulations on his 50 years of service to the gallery, to the media and, through them, to the people of Australia.

Honourable members—Hear, hear!

QUESTIONS TO MR SPEAKER

House of Representatives: Work Practices

Mr SPEAKER (3.35 p.m.)—Yesterday, the member for Werriwa asked me a number of questions about the parliamentary assistants scheme. The House will recall that, under recent legislative change, responsibility for managing the Department of the House of Representatives, including staffing, is vested in the Clerk of the House. The Clerk is answerable to the House through me, as Speaker.

A new employment program known as the parliamentary assistants scheme has, as the member suggested, commenced in the Department of the House of Representatives. University students are employed for an average of 12 hours a week during the academic year. We expect a new group of students to be selected each year. The students spend most of their time performing messengerial duties, particularly in the chamber. Most employment is in the evenings, so as not to conflict with formal study requirements. The current assistants originate from Queensland, New South Wales and the ACT. Future intakes will include students who came from other areas of Australia before studying in Canberra. Other centres of study, such as the School of Music and the Institute of Technology, may also be included. The principal aims of the scheme are to spread awareness of the parliamentary system among those who are expected to play a leading role in Australia in the future (the current group’s fields of study include forestry, law and political science); to introduce to these students and their associates the concept of a possible career option in the parliamentary service; to provide employment opportunities to a small group of students, thereby encouraging diversity in the staff; and to introduce an additional element to the life of the chamber.

While it is sound occupational practice to ensure that overtime is not excessive, and it is good management practice to keep over-
time to a minimum, the introduction of the scheme has nothing to do with saving overtime. Overtime is still paid to other chamber attendants, both ongoing and sessional staff. The introduction of the parliamentary assistants scheme has resulted in less overtime being paid to other chamber attendant staff, mainly because the assistants are available to work in the evenings when lecture and tutorial time is minimal. The assistants are not paid overtime. They are employed at the second level of parliamentary staff and receive a 15 per cent loading. The Clerk has advised me that one of the most gratifying elements of the scheme has been the way in which the ongoing chamber staff have adopted the scheme and supported the assistants in introducing them to their duties.

I understand that the department has not advised the staff that it is running at a $1 million deficit, as the member for Werriwa suggested. Last financial year the department did experience an operating loss, as identified in the financial statements presented to the House. The loss was occasioned by unforeseen circumstances in the transition to the accrual system of budgeting such as the capital user charge, depreciation and staff leave provisions. This should not recur and discussions are continuing with the Department of Finance and Administration on the matter. At this stage, it appears that the department will end this financial year with a balanced budget.

The member suggested other ways to introduce efficiencies to the department, including the southern courtyards already completed or saving in Senior Executive Service staff. The courtyard work was not funded by the Department of the House of Representatives. Senior Executive Service salaries in the department in 1994-95 represented 4.56 per cent of the salary budget. By the end of this financial year Senior Executive Service salaries will represent 3.14 per cent of the department’s salary budget. The department’s Senior Executive Service staff has been reduced from seven in 1994-95 to four by the end of the current financial year. It has been economies of this kind that have assisted the department to deliver competitive pay rises to all staff, including the messengerial staff, over the past 15 months. However, I repeat that the introduction of the parliamentary assistants scheme was not driven by considerations of cost saving.

AUDITOR-GENERAL’S REPORTS

Report No. 30 of 2000-2001


Ordered that the report be printed.

PERSONAL EXPLANATIONS

Mr Zahra (McMillan) (3.39 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr Zahra—Yes.

Mr Speaker—Please proceed.

Mr Zahra—In question time today, the Minister for Agriculture, Fisheries and Forestry suggested that the only people in this House who had been making representations against the importation of apples from New Zealand in relation to the risk of fire blight had been government members of parliament. I and other Labor members of parliament—and I want this known for the record—have been advocating a ban on New Zealand apples as a result of our concerns in relation to the threat from disease which these apples will pose to the Australian industry.

Mr Speaker—The member for McMillan has indicated where he was misrepresented. The member for McMillan will resume his seat.

QUESTIONS TO MR SPEAKER

Parliament: Broadcast of Proceedings

Mr Rudd (3.40 p.m.)—I have a question for you, Mr Speaker. Apart from the Internet transmission services of the general pro-
ceedings of both this chamber and the Main Committee which are available, I would be grateful for your advice as to whether there are other additional audio or audiovisual transmission services available of the proceedings of the parliament to departments of state within the Public Service, particularly the Department of the Prime Minister and Cabinet and the office of the Secretary to the Department of Prime Minister and Cabinet.

Mr SPEAKER—Because I anticipate that the member for Griffith will concur, without putting words into his mouth, because of the number of departments that may or may not be involved in his question, I will take it on notice and respond to him when I have the information.

House of Representatives: Work Practices

Mr LEO McLEAY (3.41 p.m.)—I have a question for you, Mr Speaker. In your last statement in relation to the answers to the member for Werriwa, you mentioned that the SES staff of the Department of the House of Representatives had been reduced from seven to four. Could you tell the House—not necessarily now; tomorrow will do—how that was achieved? I have not seen any of them leave.

Mr SPEAKER—I will investigate the matter raised by the Chief Opposition Whip. I am sure the explanation is a perfectly straightforward one, but I will report back to him or the House as appropriate.

Parliament: Behaviour in the House

Mr HORNE (3.41 p.m.)—I have a question for you, Mr Speaker. During question time today it was quite obvious to members on this side of the House that a ballot was taking place on the other side. What concerns—

Honourable members interjecting—

Mr SPEAKER—The member for Paterson has the call.

Mr Griffin interjecting—

Mr SPEAKER—The member for Bruce!

Mr HORNE—It was obviously a show and tell ballot, by the way. The whole point is that, if a ballot such as this is going to be conducted during question time, it does nothing for the dignity and the decorum of this House.

Mr SPEAKER—The occupier of the chair has no interest in ballots on either side of the House.

Mr Beazley—You did have an interest in one.

Mr SPEAKER—I accept the interjection of the Leader of the Opposition. I respond to the member for Paterson by indicating that, as he would be aware and as I have noticed in the past, this is a practice that has occurred. It is not a practice I would encourage. There have been occasions in the past when my predecessors have had occasion to intervene because the ballot was being disruptive. That was not as I observed to be the case today. In fact, I was unaware of the ballot procedure. I believe there are a number of other matters in the House that detract from the dignity of the House in a more dramatic way than does the ballot, but I will keep this in mind.

Mr Reith—if I may, Mr Speaker, technically on a point of order on that matter: we have been conducting ballots for the whole time that I have been here.

Mr Beazley—You did have an interest in one.

Mr Reith—We have ballots; they have factional deals.

Mr SPEAKER—The Leader of the House will come to the matter.

Mr Reith—Seriously, Mr Speaker, I raise the further point only because you said it was a practice you would not want to encourage. I am assuming from that remark that, unless you felt that the process was disruptive, you do not have any other objection to it. I just want to make that point. Out of respect to the chair, I do not want there to be a ballot tomorrow and then there to be some question about whether it is fair.

Mr SPEAKER—I am happy to respond to the concern raised by the Leader of the House. I deliberately chose the words ‘I would not want to encourage’ because I was
wanting to indicate that I did not think that the frequency with which this occurs should increase. I do not believe that what happened today was disruptive, and that should have been self-evident from the remarks I made. There are, as I said, other matters that detract in a much more dramatic way from the dignity of the House.

Mr Leo McLeay—On a point of order, Mr Speaker: of course, if the government want to involve everybody, we would be happy to participate!

Mr SPEAKER—The Chief Opposition Whip will resume his seat.

Mr Leo McLeay interjecting—

Mr SPEAKER—I would remind the Chief Opposition Whip of his obligations to the House and to the dignity of the House.

MATTERS OF PUBLIC IMPORTANCE

Economy: Goods and Services Tax

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

The adverse impact of the Government’s policies on the Australian economy, including through the introduction of the Goods and Services Tax.

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 SPEAKER—I call the honourable member for Wills.

Mr Reith—On a point of order, Mr Speaker: I think the House is entitled to an explanation as to why the shadow Treasurer or the Leader of the Opposition are not prepared to put—

Mr SPEAKER—the Leader of the House will resume his seat. I have recognised the member for Wills.

Mr McMullan—Costello has never been prepared—

Mr SPEAKER—The Manager of Opposition Business is warned!

Mr Martin Ferguson—Why don’t you stop undermining Costello?

Mr Reith interjecting—

Mr SPEAKER—Neither the Leader of the House nor the member for Batman are facilitating the agenda of the House.

Mr KELVIN THOMSON (Wills) (3.46 p.m.)—That is a bit rich from the Leader of the House, given the failure of the Treasurer to take the MPI when it is raised with him and when he is the responsible minister. Today’s revelation of negative economic growth in the December quarter shows that the Liberal Party’s new tax system has been a wrecking ball for the Australian economy. This is the worst result for a decade. It means that the economy has now gone backwards since the GST was introduced. The Liberal Party’s claim to be sound economic managers stands absolutely exposed by today’s figures. That claim is in tatters.

John Howard inherited an economy which he himself admitted was in ‘better than good’ shape, and he was right to make that admission. The economy had grown consistently for 18 quarters. From 1993 to 1996, the average annual rate of economic growth was four per cent. Indeed, over the whole life of the previous Labor government, economic growth averaged 3.7 per cent, compared with John Howard’s record as Treasurer from December 1977 to March 1983 of just 2.2 per cent. 720,000 jobs were created between April 1993 and February 1996. Underlying inflation was reduced to just 3.2 per cent. The Labor government was able to achieve an historic breakthrough of low inflation in a period of high economic growth. The Howard government was helped along by that legacy. It was also helped along by the American wave of prosperity during the Clinton years.

But what have they done to this wave of prosperity? They have taken a wrecking ball to the economy in the shape of the GST. As they contemplate themselves in political free-fall following the Queensland and Western Australian elections and the disastrous
Bulletin—Morgan poll results today and wonder whether they are going to be smashed in the same way that the Conservative Party was smashed in Canada after it introduced a GST, they need to be told that today’s problem is a home-grown problem. Three letters: GST. We have had a smug, arrogant, complacent Treasurer endeavouring to persuade us that everything was going well, lecturing us all last year about how good the GST was. Kim Beazley said it was going to be a slow burn, and he has been absolutely right.

Its most damaging impact has been on small business. The creative juices of small business have been channelled into filling out business activity statements instead of doing what they do best: building their businesses and offering quality products to their customers. As one small business said to us during Labor’s business activity statement inquiry in Melbourne last Friday, ‘We are becoming a nation of bookkeepers.’ The GST has tied up small business in red tape. We all recall Joe Cocker and *Unchain My Heart*. We should bring back Joe Cocker. Maybe Labor’s election campaign ads will bring back Joe Cocker to remind ordinary Australians of what that taxpayer funded Liberal propaganda promised—that they would be unchained and that no-one would be worse off.

The GST’s adverse impact goes far beyond small business; it also extends to the consumers. There was a recent survey showing that 12 per cent of Australians thought that they were better off, 39 per cent thought that there was no difference and 49 per cent of Australians thought they were personally worse off as a result of the GST. As for the 12 per cent who are better off, we never said that the Liberal Party was not trying to look after the wealthiest section of the country—that is always its goal in life: reducing the amount of tax paid by the rich. The Prime Minister had an answer when he kept being exposed about nobody being worse off. He said, ‘Do it for your country,’ ‘Tax reform,’ he declared, ‘will be good for Australia.’ Not so long ago, I saw a cartoon where a person is watching TV and the Prime Minister is on TV saying, ‘The GST might hurt you personally, but it’ll be good for Australia.’ And then on petrol taxes: ‘This might hurt you personally, but it’ll be good for Australia.’ The next frame has the person going to the ballot box, thinking of the Prime Minister and saying, ‘This might hurt you personally, but it’ll be good for Australia.’

Today’s figures absolutely destroy the Liberal Party’s claim that the new tax system is good for Australia. In the December quarter, we see a negative growth of 0.6 per cent in the last three months and a drop in the annual growth rate from 4.2 per cent to 3.4 per cent. This stands in stark contrast to the government’s midyear economic review in November. In the Treasurer’s press release which he put out trumpeting that review, he said:

The 2000-01 Mid-Year Economic and Fiscal Outlook (MYEFO) ... demonstrates the continuing strength of the Australian economy. The forecast for economic growth in 2000-01 has been revised up from 3¾ per cent to 4 per cent since the 2000-01 Budget, reflecting in particular a stronger export performance.

What good economic managers they are! In November they said they were so good that the growth forecast should be revised upwards! They did not know, or were not prepared to admit, that almost every indicator has been heading down, in the same direction as the Australian dollar, for the past six years.

To survey the damage, according to the Australian Bureau of Statistics today domestic final demand fell for the second consecutive quarter, the first time this has occurred in nearly a decade. Private investment in the economy fell for the second consecutive quarter—once again, the first time this has occurred in nearly a decade—collapsing 9.6 per cent in the December quarter. Private investment is now down 14.1 per cent in the year, the largest year-on-year decline since 1983. Housing investment fell for the second consecutive quarter, falling 15.4 per cent in the December quarter after a 23.3 per cent fall in the first three months of the GST. These quarterly declines are the largest since 1959. While exports fell in the December
quarter, net exports contributed 0.2 percentage points to growth. So we can see that the international economy was a positive for Australia’s growth but that the domestic economy has taken a dive in the period following the introduction of the GST.

Mr Hatton—All home grown, Joe.

Mr KELVIN THOMSON—All home grown. We have seen expenditure on dwellings drop by 0.7 per cent, expenditure on other buildings drop by 0.8 per cent, expenditure on machinery and equipment falling by 0.4 per cent. All these features point to an economy in trouble. The Treasurer says that this is a one-off. We might have been thinking the GST has mugged the economy, but today it is clear that it has king-hit the economy. I want to turn to the Treasurer on the subject of the currency. Back on 30 June 1995 he said:

A nation’s currency is a mark of how its economy is perceived in international markets. ... the mark that has been given to our currency and to this Prime Minister’s economic management is a fail—an absolute fail.

Just in case you were wondering, the value of the Australian dollar at the time he said this was around US$71c. Now we are down around US$51c. We have lost more than a quarter of the value of the dollar since 1995. If Treasurer Costello thought that US$71c was an absolute fail, what are we to make of US$51c? By what standard should his performance be judged—the 50 cents in the dollar Treasurer? He sounds convincing enough in question time—if smug, complacent and arrogant is your thing he probably sounds pretty good—but when it comes down to performance isn’t he really the weakest link? What are the things that are driving this government’s political standing into the ground? They are BAS, petrol taxes, the GST and living standards—all things which are the Treasurer’s responsibility. He is the person who is killing them.

Yesterday Westpac stripped away the final shred of deceit surrounding Peter Costello’s claim that the GST would be anything other than a boon for the Australian economy. The Westpac study said:

While high interest rates and energy prices have impacted both series, the GST effects in Australia have pre-empted the US weakness.

So the Westpac composite index finds that the GST has pre-empted the slowdown in the US economy, with economic activity now below Asian crisis levels. Everything that the Treasurer has said about the GST, from its supposed benefits to the economy and jobs to the way it would boost the dollar, has been debunked.

Yesterday’s survey of industrial trends for the March quarter 2001 revealed a continued fall in business confidence, a decline in output yet again, a decline in new orders, a sharp decline in exports to the lowest reading in the 1990s except for the Asian crisis, a decline in capacity utilisation, a decline in the profits outlook for the next 12 months to make up the worst profits outlook since 1990-91, a squeeze on profit margins, a continued poor outlook for business investment and a continued soft employment outlook.

What is the setting, what is the background, for all this? It is the largest year-on-year decline in the ANZ job ads series in a decade. We have the ABS composite leading indicator pointing to a decline in growth. We have business surveys from Dun and Bradstreet pointing to worsening business conditions. We have got National Australia Bank surveys pointing to a slowdown in activity. We have a decline in the Westpac-Melbourne Institute leading indicator of economic growth. We have got a pitiful investment performance with the average annual growth rate of real new private capital expenditure over the last three years a disappointing minus five per cent, compared to 15 per cent in Labor’s last three years. We have the first consecutive quarters of year-on-year decline in retail sales volumes in nearly a decade. We have the largest year-on-year decline in building approvals since at least 1984 and, indeed, the largest decline in building work since the Prime Minister was last Treasurer. We have record foreign debt of $301 billion.

Mr Fitzgibbon—The debt truck.

Mr KELVIN THOMSON—Bring out the debt truck! We have 87,300 full-time jobs
lost in the last four months, with the average annual growth in employment under Treasurer Costello just 1.79 per cent, compared to 3.1 per cent in Labor’s last three years. In relation to all of those indicators—foreign debt, business investment, building work done—all the figures seem to be negative. Similarly, we have company profits. We had the ABS revising down the September quarter company profits figures from minus 4.2 per cent to minus 6.1 per cent. So the revised down September quarter figures, for the first three months of the GST, now represent the largest quarterly decline in profits in a decade. And the December quarter figures bring the year-on-year growth in profits down from a peak of 33.8 per cent before the introduction of the GST to just 9.7 per cent. And those figures are consistent with the Yellow Pages Small Business Index, released at the end of last month, which highlighted the low confidence Australian small business has in Prime Minister Howard and Treasurer Costello’s promises concerning the benefits of the GST.

Time prevents me from going through some of their other shortcomings. In relation to information technology and innovation and research, we have seen a collapse in investment in that area and a collapse in exports in that area. Usually we end these MPIs with a call for the government to take some particular action to address what we have identified as a particular problem, but I do not think they are capable of the change in mindset necessary to address these problems. The GST was their one big shot in the locker; they fired it off and it has turned into a wrecking ball. I do not think there is anything they are capable of doing to fix the problem. I believe it is time for them to go, to get out of the way, to let Labor start the nation’s rebuilding process—rebuilding our economy, rebuilding our capacity for innovation and skills development, rebuilding our scarred health system, rebuilding our shattered aged care and accommodation arrangements. Go while you have still got a shred of dignity left. (Time expired)

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (4.01 p.m.)—That was like being slapped around the face with a wet, white feather. If the Labor Party was really serious about hitting us on this one, they would have rolled out the member for Throsby to lead the charge, but instead they went for second best, the member for Wills. On a day when, as far as the Labor Party is concerned, the world is crumbling and the economy has come to a dramatic halt, the member for Hotham, the shadow Treasurer, the alternative Treasurer of the Commonwealth, does not even bother to lead the debate for the Labor Party.

Mr Slipper—Where is he?

Mr HOCKEY—I do not know where he is, but he is not in the House. You have to wonder how seriously the Labor Party treats these issues which are important to the Australian people. How seriously does the Labor Party treat economic policy when their lead economic spokesman, who has not delivered a speech outlining any economic policy in five years, is not here? How is it that the Labor Party can come into this place, move a matter of public importance and not lead with its leading spokesperson? There are one or two reasons. Either they are treating this House with contempt, which has happened in the past—the Australian people will well remember when there was the rostered day on, rostered day off for the frontbench of the Labor Party under Paul Keating—or, as far as the Labor Party is concerned, they do not want to give us a policy on the economy. They do not want to tell the Australian people what they are going to do should they be elected to government.

It does not please me to say it, but there is a real possibility that the Labor Party could be elected into government. So I think the Australian people have more than an expectation—they now have a right—to know what the Labor Party’s policies are on the economy. What is the Labor Party’s tax policy? It has been given a title, ‘roll-back’, but it has been given no substance.

Mr Fitzgibbon—Rrrroll-back!

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Hunter will roll out if he keeps that up.
Mr HOCKEY—I am grateful to the member for Hunter for reminding me of a component of the Labor Party roll-back policy. According to what the member for Hunter said previously in a matter of public importance in this chamber, the Labor Party is going to roll back the 1c and 2c offset going to regional and rural Australia for petrol. The Leader of the Opposition was in the chair, ironically enough, and it was the last MPI the member for Hunter had and probably will ever have. He came in here and said in front of the Leader of the Opposition, ‘We are going to roll back the 1c and 2c subsidy for fuel in regional Australia.’

Mr Latham—I rise on a point of order. You might recall, Mr Deputy Speaker, that Speaker Halverson made a ruling in this House that, once a member has given a personal explanation, it is not right or proper for a minister to repeat the misrepresentation thereafter. This has been happening repeatedly to the member.

Mr DEPUTY SPEAKER—that issue has been addressed many times, and it is not a valid point of order.

Mr HOCKEY—it is great to see the member for Werriwa going out to bat for regional Australia, because that is what he is doing. He is going out to defend the 1c and 2c offset for petrol in regional and rural Australia. I say to the member for Werriwa: good on you, son; well done! Thank you. On this side of the House we believe that people in regional and remote Australia should have a 1c and 2c offset for the impact of the GST and for the differential in petrol prices between city and country Australia.

Mr Fitzgibbon—When you have nothing else to say you return to the same old lie.

Mr DEPUTY SPEAKER—Order! The member for Hunter will withdraw that statement.

Mr Fitzgibbon—I withdraw my submission that the minister has again misrepresented me.

Mr HOCKEY—My goodness. If the Labor Party is not going to tell us what their economic policy is today, a day when they believe that the real world as we know it is collapsing, if the shadow Treasurer, the member for Hotham, treats the Australian people with such contempt that he does not even bother to lead the economic debate for the Labor Party in the House on this occasion, then we need only revisit what the Labor Party did when they were in government to have a fair understanding of what their future economic policy will be. Few Australians will ever forgive—they might temporarily forget, but they will never forgive—the Labor Party for what it did to the Australian economy.

When we came to government in 1996, the Labor Party left Australia with a debt of $96 billion. Of that $96 billion, the Labor Party accumulated $70 billion in five years and most of those years were when the current Leader of the Opposition was Minister for Finance. This government has repaid $43 billion of the Labor Party’s $96 billion debt. So we have been repaying the debt that the Labor Party accumulated. Every Australian should understand that when the Labor Party was accumulating this debt, when they were running large deficit budgets, they were at the same time selling government assets to pay for their daily expenditure. They were selling the family silver to feed everyday consumption of government at a time when they were also racking up the bills on the government credit card.

We cannot forget the sale of the Commonwealth Bank initiated by the Labor Party. They pledged on Ben Chifley’s grave—leave Ben Chifley out of it—that they would not sell the Commonwealth Bank, the people’s bank. The Labor Party pledged that they would not sell the people’s airline, Qantas, and they sold the people’s airline. After 1996, we start to understand some of the plans about the sale of Telstra, and that is quite interesting, given that there were negotiations and discussions between the Keating government and BHP about the purchase of Telstra.

How ironic it is that the Deputy Leader of the Opposition chooses not to participate in this debate. He made some scurrilous mis-
representations about my comments in New York. I say to the Deputy Leader of the Opposition that I saw a few of the people that he saw in New York and I heard some of the information from investment bankers and they were very surprised to hear, after discussions with the member for Hotham, that in fact the Labor Party was opposed to the privatisation of Telstra. According to some investment bankers in New York they had extensive discussions with the member for Hotham about the further sale of Telstra. I will be intrigued to know if the member for Hotham will come into this place and deny that he had those discussions in America. Certainly, the feedback I got, and I admit it is second-hand, was that those investment bankers were surprised to hear that the Labor Party was opposed to the sale of Telstra.

The sounds of hypocrisy are echoing in this chamber from the Labor Party—on the one hand, they say they can do a better job in the economy than us but, on the other hand, their performance suggests they cannot. Under the Labor Party, you had record unemployment; under the coalition, you have unemployment down to 6.7 per cent. Under the Labor Party, we had business interest rates of over 20 per cent per annum. Today, on a $100,000 overdraft, businesses are paying $12,000 a year less interest under the coalition than they did under the Labor Party. Let us look at housing mortgage rates. When we came into government, the Labor Party had housing mortgage rates at 10.5 per cent. Today, an Australian family with a mortgage of $100,000 is paying $3,200 a year less interest to the banks than they did under the Labor Party. That is $3,200 a year after-tax money.

The hypocrisy of the Labor Party to come into this place and pretend to be concerned about a family of four with a household income of $28,000 a year when, they left government, that family of four, if they had a $100,000 mortgage, were paying $3,200 a year after-tax extra in interest to the banks! That is $270 a month. The Labor Party cries poor about $1 or $2 on some issues and yet one of the most significant impacts on a struggling family is the cost of the home mortgage. When it comes to their assets, the Labor Party was the party that delivered consistent 8½ per cent inflation during the 1980s. The Reserve Bank said in their release today, and I commend the release to members of the House and to the general public:

Recent data on wage costs and inflation expectations have confirmed that the outlook for inflation is now more secure.

That is, there is genuinely the chance to have continuous low inflation in Australia. The Labor Party will have you believe that we will all be ruined. These are the words of the Reserve Bank:

The board believes that the Australian economy should show considerable resilience, even if the world economy is weaker. Despite recent falls, business profitability is still high, corporate balance sheets remain in good shape and credit is freely available. How important that is to struggling small businesses—credit is freely available, not the 20 per cent interest rates for small business under the Labor Party. Here the Reserve Bank, even after a negative quarter, is saying that credit remains freely available. They go on to say:

In addition, the settings of fiscal and monetary policy are both contributing to growth, and the level of the exchange rate has made the traded sector extremely competitive.

This is the same fiscal stimulus, this is the same delivery of tax cuts to consumers on 1 July last year, that the Labor Party claimed was going to strangle the Australian economy. We could not have timed it any better—on 1 July last year $6 billion of tax cuts went out to the Australian people. It could not have been timed any better. At a time when the world economy was turning, at a time when it was going to have an impact on the Australian economy, we delivered real tax cuts to the average Australian family. If anyone for a minute wants to believe the rhetoric from the Labor Party, ask yourself this: what interest rate was I paying under the Labor Party? What unemployment rate was in place under the Labor Party? How many jobs were created under the Labor Party? Why did I have to be a member of a
union under the Labor Party? Sooner or later Australians are going to start to ask some serious questions of the Labor Party, and I hope that then the member for Hotham will have the courage to come into this place.

(Time expired)

Ms GILLARD (Lalor) (4.16 p.m.)—We all know that since the people repudiated the coalition in the Western Australian and Queensland elections the Prime Minister has been wandering around the country with one simple mantra, and it needed to be simple so that members opposite could catch it. That mantra has been that this government’s bid for re-election will be based on two legs: its policy credentials and its economic credentials. It has only been a few short weeks since those elections but already both of these legs have been swept out from under the government. The government is in full policy panic and today, under the self-styled great economic managers, we have proof positive that the Australian economy is going backwards. Indeed, what we are increasingly living through seems more reminiscent of a disaster movie than anything else. You do not need to rely on me for the revelation that this government’s performance and the plot line of a disaster movie are one and the same. Instead, you can rely on one of the government’s own who is quoted in Glen Milne’s piece in the Australian on Monday in the following terms:

Right now the Government looks like that scene in The Titanic where everybody is scrambling up the Christmas tree to escape the water, and John Howard is right at the top.

This quote lays bare the crisis in the government ranks. Not only are they doing disaster movie analogies but they cannot even get them right. Everybody knows that there was not a Christmas tree in The Titanic; the Christmas tree was actually in The Poseidon Adventure. Confused plot lines or not, in the midst of the Howard government disaster movie, we all are.

Disaster movies, whether it be The Titanic, The Poseidon Adventure or Towering Inferno, all tend to have a couple of common features. First, large numbers of people die. Obviously the marginal seat holders opposite have been cast in that role. Second, there is always a person in authority who, when faced with the ultimate test, denies the truth and invites disaster: the captain of the Titanic, who does not slow the ship down despite warnings about icebergs; the skyscraper owner, who does not stop the opening night party despite a small fire having broken out. There seems to be no doubt who has been cast in this role in the Howard government disaster movie, and that is the Prime Minister, John Howard, who is panicking and does not seem to have the ability to face up to the real truth and the real problems.

And we all know, of course, that a disaster movie is not complete unless you have got a hero. The hero is the one who measures up to the challenge and does the selfless thing and saves lives: the Shelley Winters character in The Poseidon Adventure, the Steve McQueen fire chief in Towering Inferno, the Leonardo DiCaprio of The Titanic. The problem for this government is that it is without a hero. The Treasurer should be playing that role but, rather than selflessly saving lives, it seems the Treasurer is more interested in salvaging his image. He is wandering around the country trying to perpetuate the myth that it is not his fault, that he is giving good advice and it is just not being listened to. Australians are not interested in the Treasurer’s excuses and they are not interested in listening to the refrains of disaster movie themes that are filtering out of the Liberal and National party rooms. You know the ones: ‘We May Never Love Like This Again’, ‘There’s Got To Be a Morning After’ and ‘My Heart Will Go On’. All of those might be sung by the members opposite during their party room meetings, but Australians are not really interested in listening to them. What Australians want is a government facing up to the fact that the Prime Minister’s and the Treasurer’s GST has put a wrecking ball through the Australian economy.

Let us have a quick look at the wreckage. I am just going to refer to 10 key indicators very quickly. There are more, but I cannot possibly get more in during the course of this speech. First of all, we have got today’s ABS GDP data, which showed that the Australian...
economy is going backwards, that our GDP fell by 0.6 per cent in the last three months of the year 2000. This fall, being higher than market expectations, raises the very real spectre of a second consecutive quarter of negative growth in the first three months of 2001, and that would mean that Australia is in recession. Second is the ACCI-Westpac survey of industrial trends for the March quarter 2001, which revealed a continued fall in business confidence, a decline in output, a decline in new orders and a squeeze on profit margins. The third is that this week we have seen the ANZ job ads series data show that the number of jobs advertised fell 10 per cent in February, and that was part of the sharpest annual decline since the 1991 recession. Indicator No. 4 is this week’s housing sector figures, which showed that building approvals fell by 3.7 per cent in January and confirmed the largest year-on-year decline in building approvals since at least 1984. Fifth is a dreadful investment performance, with the average annual growth rate of real new private capital expenditure over the last three years a disappointing minus five per cent. Sixth, as the member for Wills indicated, is record foreign debt of $301 billion. Seventh is a retail spending survey of 142 shopping centres showing a 2.7 per cent slump. Eighth is the ABS composite leading indicator, which points to a decline in growth since the GST was introduced. Ninth is the Dun and Bradstreet business survey, which points to worsening business conditions. Tenth, and I would have thought most worrying of all for this government, is the fact that 87,300 full-time jobs have been lost in the last four months, with the average annual growth in employment under this government just 1.79 per cent.

These are shocking statistics which show the wreckage that the GST has left in its wake. The wrecking ball of the GST has created all of these statistics. I had expected—I can see that it was foolish of me to have this expectation—the minister opposite to come somewhere near the point of this MPI.

Mr Kelvin Thomson—A foolish expectation.

Ms GILLARD—It was a foolish expectation. He preferred to tell us about meetings and presumably lunches in New York when he was there recently.

Mr Cox—And dinners.

Ms GILLARD—And dinners, I am sure, and drinks, breakfasts, big lunches—heavens knows. Perhaps he could come in and give us the details of everything he consumed while he was over there. No doubt we would have to suspend standing orders for a considerable period. I had expected the minister opposite to say that these figures are not the product of the GST but are the product of international forces. In case the next speaker for the government side uses that argument—maybe I have given them a bit of a hint—we need to recognise that the statistics show that what is happening in the Australian economy now is not the product of international forces. This is a home-grown crisis, not an international one. Most of our trading partners in Asia—South Korea, Singapore, Hong Kong, China and Malaysia—have been growing at rates close to 10 per cent. Export revenues in December were up a phenomenal 25 per cent. So we have not caught an international disease. If we had, the export figures could not be at that number for December and the growth rates of our trading partners could grow at those rates. This is a home-grown crisis. This is about the GST wrecking ball, wrecking domestically. It is about factors like the cost and red tape burden imposed on business, particularly small business. Every member on this side of the House would be able to point to a business in their electorate which either has gone under or is close to going under because of the GST red tape and cost burden. The government may have offered firms a token $200 in compensation for gearing up for the GST, but we know from speaking to businesses in our electorates that legal and accounting fees have been in the order of 20, 30 or 40 times that amount.

This is a home-grown crisis about the loss of consumer confidence and spending power caused by GST hiked prices and the petrol price fiddle. When consumers are spending so much more than they used to on petrol
and on basic goods and services, they know
that there are problems and consumer confi-
dence suffers. This crisis is about the GST
mugging the building industry with all the
consequent loss of jobs. This is a home-
grown crisis. And what is disturbing is that
we know there is an international economic
slowdown on the way. This is where we can
say that the Howard government disaster
movie is actually worse than the usual plot
line of the genre. We have a government that
is managing to sink the ship before we get
anywhere near the iceberg, a government
that is managing to sink the ship before we
sight the tidal wave.

Given that strategy—that we are already
sinking and the external crisis is yet to come
upon us—we have to wonder where Aus-
tralia will be under this government when the
international economic slowdown arrives. I
say to the government opposite: it is time
that you addressed these problems instead of
being in denial. It is time you did something
to assist the Australian economy, rather than
just denying the facts. If you cannot do that,
it is time for the movie to end. (Time expired)

Mr Nairn—We did not get it refunded.

Mr ST CLAIR—The member for Eden-
Monaro makes a very valid point. There was
no refund of the wholesale sales tax. It was
simply a tax that was paid and small business
was affected by it. One of the things I would
like to do today as we head towards an elec-
tion some time this year is to continue to
remind small business what the Labor Party
did to small business during the 13 years that
they occupied this side of the House. As I
look around the chamber, I see many on this
side who have come out of small business.

Mr Slipper—Not that side.

Mr ST CLAIR—Not that side; you are
quite right. We understand very clearly what
was done to small business over those 13
dark years. I would like to go through a
number of those points. I am going to raise
this continually with small business people
as I go around my electorate. In fact, we are
running a survey in the electorate at the mo-
ment and I have here a fax that sums up a lot
of things. It says:

Please do not let Labor in again. We have had a
gutful of Labor’s specials last time. Do anything,
Stuart, but please keep Labor out. We cannot af-
ford Labor again.

That was a small business person. As the
minister said when he spoke, in 1996 the
government inherited an economy suffering
from high—some even say huge—government
debt, a budget deficit, high unemployment,
and inflation and interest rates that had
risen to unacceptable levels. During Labor’s
years in government they had an $80 billion
government debt—I wonder how many of the opposition sit down and actually write that figure on a sheet of paper and just see how many noughts are on the end—and a $10 billion deficit in their budget. I have been having a look back over that period, 1983-96, at the ALP, the Australian lazy party, federal government budget balances: in 1991-92, a $11,500 million deficit; in 1992-93, a $17,000 million deficit; in 1993-94, a $17.1 billion deficit; in 1994-95, a $13.1 billion deficit; and in 1995-96, a $10,300 million deficit.

It is interesting, having come out of small business, that if we ran our businesses like that—if we decided to have a business where we spent as much as we could rack up on the overdraft, without any regard to the amount owed—I am sure we could have a pretty successful business. We would have growth, we could put on as many people as we liked and we could employ people to do specialist jobs. It would not matter whether there was a market there or whether indeed there was anything that was going to benefit the company in the end. If you had no regard to the total amount owed at the end of the day, I know in private business you would not last long.

There was 11.4 per cent unemployment at that time and business interest rates went to over 20 per cent. Those business interest rates may well have affected people with overdrafts. Some of those people in business with overdrafts were well over the 20 per cent mark—at 21.5 per cent, and some even higher. If you leased some equipment at the time—as I did; new sawmill equipment—you may have found those leasing rates at that time were well over 23, 24, 25 per cent. In 1985 at the tax summit the Labor Party leader wanted to tax all goods and services. Do you remember that? They wanted to have a goods and services tax, which was great, and they wanted to have it at 12.5 per cent—option (c)—including food.

The record of the Leader of the Opposition, who has served at various times as the Minister for Defence and, I think, as the Minister for Finance, is that as defence minister he left us the Collins class submarines. Remember that? I have a little note here: don’t forget the two free submarines. Now, thank goodness, as the Minister for Defence raised in the House today, we are also going to have a free bombing range. One wonders who you would like to have on that range at the time. The Leader of the Opposition was also the employment minister at the time who had an unemployment rate of 11.4 per cent. And, as finance minister, as I say, he left a $10 billion black hole.

The last Labor government left us a debt of $80 billion and we have had to pay back, out of surpluses, over $50 billion of that debt. The interest rate from the Beazley debt period is about $5 billion. The interest bill from Beazley’s debt alone would have been enough to cut 15c a litre off the excise on fuel. Let us just talk about the tax on fuel for a minute: in 1983—I want all small business people in Australia to listen to this—it went from 6c to 34c a litre over that period. God help us if Beazley ever gets control of the budget of this country again!

I want to wrap up by talking about the positives that are happening—not being a spoiler like those on the other side, not frightening people, not frightening small business. This government has dropped interest rates for small business to around 8.5 per cent—delivered. The unemployment rate is as low as 6.3 per cent—delivered. We have paid back $50 billion of this country’s debt—delivered. And inflation rates, as has been shown today, are down and continue to stay down. Paying off debt and reducing our interest bills mean that today we can actually deliver programs out of a black budget.

(Time expired)

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

PRIVILEGE

Mr SPEAKER—I have received a message from the Senate acquainting the House that the Senate has authorised Senators Bourne, Calvert, Ferguson, Gibbs, Hutchins, Sandy Macdonald and Schacht, as members of the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, De-
fence and Trade, to appear before the House of Representatives Committee of Privileges, subject to the rule, applied in the Senate by rulings of the President, that one House of the Parliament may not inquire into or adjudge the conduct of a member of the other House.

COMMITTEES
Public Works Committee
Approval of Work

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (4.37 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, it is expedient to carry out the following proposed work which was referred to the Parliamentary Standing Committee on Public Works and on which the committee has duly reported to Parliament: Remediation of Defence land at Neutral Bay, NSW.

The Department of Defence proposes to undertake environmental remediation of the former submarine base at Neutral Bay in Sydney. The 1.8-hectare site was used as a gasworks from 1876 until gas production ceased in 1931 and the Commonwealth acquired it in 1942 for naval operations. In 1967 it was commissioned as HMAS *Platypus*, the eastern Australian base for the Oberon class submarines, also accommodating a submarine school and the Royal Australian Navy torpedo maintenance engineering facility.

In 1995, in anticipation of the introduction to service of the new Collins class submarines to be based in Western Australia, the site was declared surplus to requirements. Berthing for the Collins class submarines when in Sydney will be provided at Garden Island. HMAS *Platypus* continued operations until it was formally decommissioned in May 1999. From 1995 until last year contamination testing of the site was undertaken in parallel with comprehensive land use planning studies to determine the future use of the property once it became vacant.

In October 1998, whilst the New South Wales Land and Environment Court approved the future residential use for the land, a condition of approval was that development of the land needed to be substantially commenced within five years, that is, by 13 October 2003. Contamination investigations have confirmed that the site is highly contaminated, primarily from its use as a gasworks, but remediation should minimise the possibility of future liability of the Commonwealth for contamination on the site. It will enable an auditor of contaminated land to certify that the remediated land is suitable for the approved future land use and enable the land to be sold.

Early last year, in consultation with the Public Works Committee, the Department of Defence engaged a remediation contractor, Thiess Environmental Services, to design the remediation solution for the site. The outcome of this initial process was presented to the committee in June last year, and subsequently the committee asked that the project be referred to it for consideration and report to parliament.

Following referral to the committee, a public hearing was held on 25 October last year. The proposed works have been designed to reflect the highest environmental standards of the Commonwealth. Essential components include: demolition of all buildings and structures, excavation, backfilling and compaction of clean fill material, treatment and disposal of contaminated material and treatment of contaminated groundwater. The estimated out turn cost of the proposed works is $16.5 million. In its report the committee has recommended that this project proceed. The Department of Defence agrees with the recommendation of the committee.

Subject to parliamentary approval, the first phase of the works will commence later this year, with the objective of having remediation complete by December next year. The intention to complete the works by this date will satisfy the deferred commencement condition imposed by the Land and Environment Court by enabling the site audit statement to be issued and the site to be sold in time for the purchase of the commenced development prior to 13 October 2003. On behalf of the government I would like to
thank the committee for its support. I commend the motion to the House.

Question resolved in the affirmative.

**BILLS RETURNED FROM THE SENATE**

The following bills were returned from the Senate without amendment or request:
- Defence Legislation Amendment (Enhancement of the Reserves and Modernisation) Bill 2000; and
- Defence Reserve Service (Protection) Bill 2000

**CUSTOMS LEGISLATION AMENDMENT AND REPEAL (INTERNATIONAL TRADE MODERNISATION) BILL 2000**

Cognate bills:
- IMPORT PROCESSING CHARGES BILL 2000
- CUSTOMS DEPOT LICENSING CHARGES AMENDMENT BILL 2000

Second Reading

Debate resumed.

Ms JULIE BISHOP (Curtin) (4.43 p.m.)—Before question time I was referring to the information technology perspective contained specifically in the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000. This legislation sets out how people will communicate electronically with Customs, essentially allowing people to use a variety of connection options, including the Internet. There will still, of course, be a need to satisfy certain technical requirements to ensure the integrity of the information received, but I think that the use of open Internet based systems of communications with choice of interactive or EDI communications channels in the new technology regime for Customs is very much consistent with the government’s whole approach to the information economy. It is a continuation of the themes developed in the Electronic Transactions Act. I recall speaking on that legislation some time back, and welcoming the obvious demonstration of commitment to the innovative use of new technology to further the government’s objectives.

In this legislation before the House we see the foundation for the management of cargo and for the administration of Customs in the electronic era. I think it was rather well put by Lionel Woodward, the chief executive officer of the Australian Customs Service, in a speech at a ports and shipping conference in Melbourne last November when he said:

*Australian Customs is keeping a keen eye on the international trading environment. Our re-engineering process and our continuing adoption of e-commerce technologies is vital for maintaining our regulatory role without impeding legitimate trade.*

He went on to say:

*We cannot and will not compromise our law enforcement efforts. We are, however, tailoring our business processes to reduce intervention in low-risk cargo movements. To do this, we are dependent on having a strong legislative base, high performing flexible open information technology systems, excellent risk assessment skills and tools and, most importantly, a highly compliant international trading community. The combination of these ingredients will position us well to look beyond the horizon and far into the 21st century.*

Such inspirational words coming from Customs. The government’s intended amendments to the bills will address minor errors and inconsistencies apparent since the release of the bills. The amendments will also serve to ensure the bills more effectively meet their stated goals. In summary, the amendments will ensure that new provisions related to exports by accredited clients best reflect relevant business practice and match the capabilities of information technology; that transitional arrangements are in place to ensure that administrative penalties may be applied in instances of false or misleading statements made before the replacement of the current system by the infringement notice system; that gaps in proposed export controls that might otherwise represent a risk to compliance are filled; and that various offence provisions are consistent with the amendments to the Customs Act proposed in the Law and Justice Legislation Amendment...
(Application of Criminal Code) Bill 2000 that I have cited previously.

The bills before the House and the amendments proposed by the government have grown out of a broad consultative process. I believe there is wide industry support for the intention of facilitating a more efficient and effective Customs framework. I noted earlier that the member for Denison expressed concern about the strict liability offences, but I point out that the proposed controls and sanctions are based on the early identification and interception of high-risk cargo. It is not the government’s intention to impede low-risk cargo and its flow should, I believe, continue unimpeded.

As a Western Australian I have a particular respect for the importance of trade and the mutual benefits that are derived from exchange. Western Australia, of all the states, has the most interest in ensuring that Australia remains a free trading nation with the most effective and efficient regulatory and physical infrastructure for the exchange of goods and services. As a representative of Western Australia, the state with the most extensive and open coastline, I also understand the importance of the policing role played by the Australian Customs Service.

The bills before the House will facilitate a new Customs framework that will serve both the effective and efficient exchange of imports and exports and the management and policing of imported cargo. I commend the bills to the House.

Mr WILLIAMS (Tangney—Attorney-General) (4.47 p.m.)—in reply—I thank the honourable member for Denison and the honourable member for Curtin for their comments on the bills. In closing the debate I would like to highlight some of the major aspects of the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000, the Import Processing Charges Bill 2000 and the Customs Depot Licensing Charges Amendment Bill 2000. But, before I do, I wish to comment on the nature of the debate. It is perhaps not surprising, given the technical nature of the legislation, that it has not generated enormous interest on either side of the House. Nevertheless, it is regrettable that the opposition has effectively abdicated its responsibility to debate the bills in detail in this House and left it to the Senate committee to which it will be referred to deal with the matter in detail. It does not speak well of the attitude of the opposition to this House that it does not regard it as an appropriate place to debate matters of contention. I accept that the opposition is, in broad terms, supporting the bill but, in speaking to it, the member for Denison raised issues that he indicated he would deal with only cursorily.

Mr Swan—Do you want this to proceed smoothly? Do you want cooperation?

Mr WILLIAMS—Mr Deputy Speaker, I will ignore the threats that are coming from the other side of the table. These bills represent the most significant reform to Customs legislation since Federation, providing benefits to both business and the government. The bills underpin cargo management re-engineering, which will improve the speed and efficiency by which Australia clears cargo. The core theme is a modernisation of cargo processes. It is about the creation of an environment which is intended to reduce the costs of communication and provide choice in how that communication occurs—an environment which relies on commercial information over something specific being created for government. In addition to creating a better business environment, the government also has a responsibility to protect the community from the threats posed by drugs, firearms and other dangerous goods. The bills, therefore, also provide improved mechanisms for the early identification and control of such goods. In this way their objectives are to intercept high-risk cargo while allowing low-risk cargo to flow unimpeded.

The honourable member for Denison referred to the pressure that will be placed on small and regional ports by the introduction of 24-hour-a-day cargo reporting. It is true that community protection risk assessment will occur 24 hours a day, seven days a week. To do otherwise would invite unlawful activity in down time and would not recog-
nise that cargo arrives in Australia 24 hours a day, seven a days a week. To facilitate around the clock reporting for cargo reports, bureaux or other third parties will be able to communicate information to Customs on behalf of the responsible parties. In addition, the proposed new integrated cargo system will be designed to allow for cargo reports to be accepted directly from overseas. The provision of timely and accurate information is fundamental to achieving rapid movement of cargo across our borders. For this reason the bill supports good compliance through initiatives such as the accredited client program and associated administrative mechanisms. It also provides necessary censure for poor compliance through strict liability penalties.

The new system of strict liability offences, with an administrative option of issuing an infringement notice, replaces the current obsolete administrative penalty provisions of the Customs Act. I can assure the honourable member for Denison that these will not be offences that impose criminal liability. They are offences to which a civil penalty will attach. It is also worth noting that the Australian Law Reform Commission is currently investigating the circumstances in which it is appropriate to use civil and criminal processes and penalties having regard to the object to be achieved by a particular provision.

In addition, the bill proposes the replacement of Customs’ current commercial auditing powers with contemporary monitoring powers. These powers, along with new record keeping obligations, will apply to communicators of information to Customs, as well as to the owners of imported and exported goods. This extension acknowledges that the accuracy of trade data is vital in a self-assessment scheme that also has the objective of intercepting high-risk cargo while allowing low-risk cargo to flow unimpeded. The new powers are more consistent with the preferred model for monitoring compliance with Commonwealth laws by ensuring that entry to premises is only by consent or under a warrant.

Rather than focusing on individual measures in the bills, such as the strict liability offences, record-keeping obligations and new monitoring powers, it is important that the measures in the bill be viewed as a whole. The bill provides for a new legislative framework for cargo management—one which allows maximum use of technology, more efficient deployment of Customs resources and more rapid cargo clearance times. The result will be reduced costs to industry. The legislation enshrines the core elements of a self-assessment regime which delivers up-front benefits to those involved with the importation and exportation of cargo, while ensuring that risks are identified through accurate and timely reporting.

Contrary to the criticisms made by the member for Denison, the record keeping requirements proposed by this bill are not onerous. Compliance obligations will be minimised but are essential to the effective administration of a self-assessment regime. Australia is not alone in moving towards maximum use of available technology to manage the movement of goods across its borders. Other customs administrations have moved, or are moving, in similar directions. It is important to our performance as a trading nation that we remain at the forefront of advances in customs administration. This legislation, and the systems re-engineering that it supports, will sustain Australia at the cutting edge of customs administration internationally.

Contrary to the suggestion from the member for Denison, Customs has consulted widely with industry throughout the development of this legislation. It will continue this process of consultation with both industry associations and individual companies. The government is well aware that industry will need time to adjust to the new cargo reporting processes, which this bill underpins. That is why the bill provides a moratorium period of six months in which cargo reporters can move to the preferred means of electronic reporting. Customs will work with industry to make that transition as smooth as possible.

Finally, I draw members’ attention to a schedule of minor amendments to the bill.
that I propose to move during the consideration in detail stage. The amendments address a number of minor errors, inconsistencies and omissions that have become apparent since the bill’s introduction and will need to be addressed for the bill to operate in the way originally envisaged. The amendments fall into five broad categories. The first set of amendments will be made to ensure that new provisions in relation to exports by accredited clients appropriately reflect relevant business practice and match proposed information technology system design. The second set of amendments refer to transitional arrangements that will be put in place to ensure that administrative penalties can still be applied for false or misleading statements made before the repeal of the current regime and its replacement with the infringement notice system. The third set of amendments will address gaps in the proposed new export control provisions that would otherwise represent a compliance risk. The fourth set of amendments will be made to various offence provisions to make them consistent with amendments to the Customs Act 1901 proposed in the Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000. Finally, various other technical amendments will be made. I commend the bill to the House.

Question resolved in the affirmative.

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr WILLIAMS (Tangney—Attorney-General) (4.56 p.m.)—by leave—I present the supplementary explanatory memorandum to the bill and move government amendments Nos 1 to 43, together:

(1) Schedule 1, item 17, page 23 (lines 11 and 12), omit the item, substitute:

17 Subsection 240(1A)

Repeal the subsection, substitute:

(1A) A person who is the owner of goods exported from Australia must keep all the relevant commercial documents relating to the goods that:

(a) come into the person’s possession or control at any time; and

(b) are necessary to enable a Collector to satisfy himself or herself as to the correctness of information communicated by, or on behalf of, the person to Customs (whether in documentary or other form);

for the period of 5 years after the time when the goods were exported from Australia.

Penalty: 30 penalty units.

(2) Schedule 1, item 18, page 23 (line 13), omit “After subsection 240(1A)”, substitute “Before subsection 240(2)”.

(3) Schedule 1, item 21, page 27 (line 3), after “a record,”, insert “require the person”.

(4) Schedule 2, page 28 (after line 4), before item 1, insert:

1A Paragraph 234(1)(g)

Repeal the paragraph.

1B Paragraph 234(2)(c)

Omit “$5,000”, substitute “100 penalty units”.

1C Paragraph 234(2)(d)

Repeal the paragraph, substitute:

(d) in the case of an offence against paragraph (1)(h), by a penalty not exceeding 10 penalty units.

(5) Schedule 2, page 33 (after line 13), after item 5, insert:

5A Saving

Despite the repeal by item 5 of sections 243T, 243U and 243V of the Customs Act 1901, those sections continue to apply in respect of statements made before the repeal.

(6) Schedule 2, item 6, page 33 (line 22), after “99(2) or (3),”, insert “102A(4), 113(1),”.

(7) Schedule 2, item 6, page 33 (line 22), omit “114E(3)”, substitute “114E(1)”.

(8) Schedule 2, item 6, page 33 (line 22), after “114F(2),”, insert “115(1),”.

(9) Schedule 2, item 6, page 33 (line 23), before “119(3),”, insert “117A(1), 118(1),”.

(10) Schedule 2, item 6, page 35 (line 5), omit “in that period”, substitute “, within the period of 28 days after the date of service of the notice,”.
(11) Schedule 3, item 38, page 66 (line 33), after “declaration”, insert “(including an altered warehouse declaration)”.

(12) Schedule 3, item 39, page 76 (line 4), after “import”, insert “entry”.

(13) Schedule 3, page 76 (after line 20), after item 41, insert:

41A Subsection 132(4)
Omit “whose owner is required by section 71 to provide information about them”, substitute “about which the owner, or a person acting on behalf of the owner, is required by section 71 to provide information”.

41B Paragraph 132(5)(b)
Repeal the paragraph, substitute:

(b) about which neither the owner, nor any person acting on behalf of the owner, is required to provide information;

(14) Schedule 3, page 76 (before line 21), before item 42, insert:

41C Subsection 132AA(1) (table item 3)
Omit “whose owner must provide information about them”, substitute “about which the owner, or a person acting on behalf of the owner, is required by section 71 to provide information”.

(15) Schedule 3, page 78 (after line 8), after item 48, insert:

48A Subsection 4(1) (paragraph (a) of the definition of authority to deal)
Repeal the paragraph, substitute:

(a) in relation to goods the subject of an export declaration—an authority of the kind mentioned in paragraph 114C(1)(a); or

(aa) in relation to goods the subject of an ACEAN—the ACEAN; or

(16) Schedule 3, item 55, page 79 (after line 19), after subsection 113(1), insert:

1A An offence against subsection (1) is an offence of strict liability.

(17) Schedule 3, item 61, page 83 (lines 29 to 32), omit the item.

(18) Schedule 3, item 62, page 84 (lines 8 to 14), omit subsection 114BA(2).

(19) Schedule 3, item 62, page 84 (lines 16 to 23), omit subsections 114BA(4) and (5), substitute:

4 An ACEAN can be communicated only while the export information contract entered into in respect of goods to which the ACEAN relates is in force.

5 A communication made by the use of an ACEAN must relate only to one consignment of goods.

6 If a person makes, by the use of an ACEAN, a communication that relates to more than one consignment of goods:

(a) the use of the ACEAN is invalid and does not constitute an entry of any of the goods for export; and

(b) the person is guilty of an offence punishable, on conviction, by a penalty not exceeding 60 penalty units.

7 An offence against paragraph (6)(b) is an offence of strict liability.

(20) Schedule 3, item 62, page 84 (lines 27 to 28), omit “enabling the person to use accredited client export approval numbers (ACEANS) in connection with the export of goods”, substitute “enabling the use of accredited client export approved numbers (ACEANS) in connection with the export of the person’s goods”.

(21) Schedule 3, item 62, page 86 (line 13), after “export”, insert “by the making of an export declaration in respect of the goods”.

(22) Schedule 3, item 62, page 86 (line 23), omit “this section”, substitute “subsection (1)”.

(23) Schedule 3, item 62, page 86 (after line 26), after subsection 114C(3), insert:

3A An authority under subsection (1) to deal with goods may be expressed to be subject to a condition that any security required under section 16 of the Excise Act 1901 be given.

(24) Schedule 3, item 62, page 86 (line 27), omit “this section”, substitute “subsection (1)”.

(25) Schedule 3, item 62, page 86 (after line 30), after subsection 114C(4), insert:

4A If an authority under subsection (1) to deal with goods is expressed to be subject to a condition that any security required under section 16 of the Excise Act 1901 be given, the authority is
(4B) If goods have been entered for export by the use of an ACEAN, the ACEAN constitutes an authority to deal with the goods.

(26) Schedule 3, item 62, page 89 (line 10), omit “Customs control”, substitute “the Commissioner’s control”.

(27) Schedule 3, item 62, page 89 (line 24) to page 90 (line 11), omit section 114E, substitute:

114E Sending goods to a wharf or airport for export

(1) A person (the deliverer) commits an offence if the deliverer delivers goods to a person (the deliveree) at a wharf or airport for export and:

(a) if the goods have been entered for export—neither of the following applies:

(i) an authority to deal with the goods is in force and the owner of the goods has, at or before the time of the delivery, given particulars of the authority to the deliveree in the prescribed manner;

(ii) the goods are, or are included in a class of goods that are, excluded by the regulations from the application of this section and the deliverer has, at or before the time of the delivery, given particulars of the goods to the deliveree in the prescribed manner; or

(b) if the goods are not required to be entered for export—the deliverer has not, at or before the time of the delivery, given particulars of the goods to the deliveree in the prescribed manner; or

(c) if the goods have not been entered for export—the deliveree fails to enter the goods for export within the prescribed period after the time of the delivery.

(2) If the deliverer is a person referred to in subsection 117A(1), the prescribed manner of giving, for the purposes of subsection (1), particulars of goods to the deliveree is to give to the deliveree the submanifest number given to the deliverer by Customs under subsection 117A(3).

(3) The penalty for an offence against subsection (1) is a penalty not exceeding 60 penalty units.

(4) An offence against subsection (1) is an offence of strict liability.

(28) Schedule 3, item 62, page 90 (line 12), omit “Notice to Customs of receipt of goods”, substitute “Notices to Customs by person who receives goods”.

(29) Schedule 3, item 62, page 90 (lines 14 to 18), omit subsection 114F(1), substitute:

(1) This section applies to a person who takes delivery of goods for export at a wharf or airport other than a wharf or airport that is, or is included in a class of wharves or airports that is, excluded by the regulations from the application of this section.

(1A) The person must give notice to Customs electronically, within the period prescribed by the regulations, stating that the person has received the goods and giving such particulars of the receipt of the goods as are required by an approved statement.

(1B) If the goods are removed from the wharf or airport otherwise than for the purpose of being loaded onto a ship or aircraft for export, the person must give notice to Customs electronically, within the period prescribed by the regulations, stating that the goods have been removed and giving such particulars of the removal of the goods as are required by an approved statement.

(30) Schedule 3, item 62, page 90 (line 19), omit “subsection (1)”, substitute “subsection (1A) or (1B)”.

(31) Schedule 3, item 62, page 90 (line 32), omit “100”, substitute “60”.

(32) Schedule 3, item 62, page 90 (after line 32), at the end of section 115, add:

(2) An offence against subsection (1) is an offence of strict liability.

(33) Schedule 3, item 62, page 91 (lines 1 and 2), omit the heading to section 116, substitute “What happens when goods entered for export by an export declaration are not dealt with in accordance with the export entry”.
(34) Schedule 3, item 62, page 91 (line 4), after “export”, insert “by the making of an export declaration in respect of the goods”.

(35) Schedule 3, item 62, page 91 (after line 32), after section 116, insert:

116A What happens when goods entered for export by the use of an ACEAN are not exported within 30 days

If:

(a) goods are entered for export by the use of an ACEAN; and
(b) the goods have not been exported within 30 days after the day on which the ACEAN was communicated to Customs;

the entry is taken to have been withdrawn and the ACEAN concerned cannot again be used to enter those goods or any other goods for export.

(36) Schedule 3, item 62, page 93 (lines 7 to 9), omit from subsection 117A(1) “for the purpose of facilitating the obtaining of a Certificate of Clearance in respect of the ship or aircraft”.

(37) Schedule 3, item 62, page 93 (after line 11), after subsection 117A(1), insert:

(1A) An offence against subsection (1) is an offence of strict liability.

(38) Schedule 3, item 62, page 93 (line 23), omit “500”, substitute “60”.

(39) Schedule 3, item 62, page 93 (after line 23), after subsection 118(1), insert:

(1A) An offence against subsection (1) is an offence of strict liability.

(40) Schedule 3, page 103 (after line 21), after item 97, insert:

97A At the end of Part V

Add:

102A Notices to Customs by holder of warehouse licence

(1) This section applies only to goods that are, or are included in a class of goods that are, prescribed by the regulations.

(2) If goods are released from a warehouse for export, the holder of the warehouse licence must give notice to Customs electronically, within the period prescribed by the regulations, stating that the goods have been released and giving such particulars of the release of the goods as are required by an approved statement.

(3) If goods that have previously been released from a warehouse for export are returned to the warehouse, the holder of the warehouse licence must give notice to Customs electronically, within the period prescribed by the regulations, stating that the goods have been returned and giving such particulars of the return of the goods as are required by an approved statement.

(4) A person who contravenes subsection (2) or (3) commits an offence punishable, on conviction, by a penalty not exceeding 60 penalty units.

(5) An offence against subsection (4) is an offence of strict liability.

(41) Schedule 3, item 143, page 129 (after line 2), at the end of section 77AA, add:

(4) If goods have been entered for export by the making of an export declaration, Customs may, at the request of the owner of the goods, inform the owner of the stage reached by Customs in deciding whether or not to give an authority to deal with the goods.

(5) If a submanifest in respect of goods has been sent to Customs under section 117A, Customs may, at the request of the owner of the goods, inform the owner of the stage reached by Customs in preparing to give a submanifest number in respect of the submanifest.

(42) Schedule 3, item 152, page 132 (line 20), omit from paragraph 16(1AA)(d) “or exercise”.

(43) Schedule 3, item 152, page 132 (line 23), omit from paragraph 16(1AA)(e) “or exercise”.

I have already foreshadowed the nature of the amendments. The amendments relate to the Customs Legislation Amendment and Repeal (International Trade Modernisation) Bill 2000. They will correct a number of minor errors, inconsistencies and omissions in the bill and, as I said, there are five broad categories. The amendments will ensure that new provisions in relation to exports by accredited clients appropriately reflect relevant business practices and the proposed information technology system design. There will
be transitional arrangements dealt with to ensure that administrative penalties can still be applied for false or misleading statements made before the repeal of the current system and its replacement with an infringement notice system. There are amendments to address gaps in the proposed new export control provisions that would otherwise represent a compliance risk. There are amendments to various offence provisions to make them consistent with amendments to the Customs Act 1901 proposed by the Law and Justice Legislation Amendment (Application of Criminal Code) Bill 2000. There are other amendments. I commend the amendments to the House.

Amendments agreed to.

Bill, as amended, agreed to.

**Third Reading**

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

**IMPORT PROCESSING CHARGES BILL 2000**

**Second Reading**

Consideration resumed from 6 December 2000, on motion by Mr Truss: That the bill be now read a second time. Question resolved in the affirmative. Bill read a second time.

**Third Reading**

Leave granted for third reading to be moved forthwith. Bill (on motion by Mr Williams) read a third time.

**CUSTOMS DEPOT LICENSING CHARGES AMENDMENT BILL 2000**

**Second Reading**

Consideration resumed from 6 December 2000, on motion by Mr Truss: That the bill be now read a second time. Question resolved in the affirmative. Bill read a second time.

**Third Reading**

Leave granted for third reading to be moved forthwith.

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

**BROADCASTING LEGISLATION AMENDMENT BILL 2001**

Consideration resumed from 5 February.

**Second Reading**

Mr BRUCE SCOTT (Maranoa—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (5.00 p.m.)—I move:

That the bill be now read a second time.

The Broadcasting Legislation Amendment Bill 2001 clarifies and improves the operation of the amendments to the Broadcasting Services Act 1992 that were made by the Broadcasting Services (Digital Television and Datacasting) Act 2000.

First, the bill amends the enabling legislation of the Australian Broadcasting Corporation and the Special Broadcasting Service to expressly confer on these national broadcasters the function of providing datacasting services in accordance with datacasting licences allocated by the Australian Broadcasting Authority.

The digital television amendments to the Broadcasting Services Act passed by the parliament in the Broadcasting Services Amendment (Digital Television and Datacasting) Act 2000 provided for the allocation of datacasting licences by the ABA to commercial free-to-air television broadcasters, the ABC and SBS and to new service providers. The amendments to the Broadcasting Services Act also provided for the ABC and SBS to be taken to have the statutory function of providing datacasting services, where they have applied for and been allocated a datacasting licence by the ABA.

It is appropriate that the statutory powers and functions of the national broadcasters be provided in their enabling legislation. This bill therefore amends the Australian Broadcasting Corporation Act 1983 and the Special Broadcasting Service Act 1991 respec-
tively to confirm that, where the ABC or SBS have applied for and been allocated a datacasting licence by the ABA, they have the statutory function of providing a datacasting service in accordance with the conditions of their datacasting licence. Existing provisions in schedule 6 of the BSA that are made redundant by the amendments to the ABC Act and SBS Act are to be repealed. ABC and SBS datacasting services will continue to be subject to the licence conditions in schedule 6 of the BSA.

Second, the bill will harmonise codes of practice and complaints handling procedures in relation to ABC and SBS broadcasting and datacasting.

The Broadcasting Services Act 1992 requires the ABC and SBS, if they choose to undertake datacasting services, to participate in developing codes of practice with the commercial datacasting industry. Such codes may not be suitable for the kinds of datacasting services that the ABC and SBS will provide. In addition, there may be practical difficulties for the ABC and SBS, when reversioning existing television, radio and online content for datacasting, in ensuring the same material complies with multiple codes of practice.

This bill will amend the Australian Broadcasting Corporation Act 1983 and the Special Broadcasting Service Act 1991 to enable the ABC and SBS to develop their own codes of practice for datacasting.

The bill will also extend the existing complaints-handling provisions of the Broadcasting Services Act 1992 relating to ABC and SBS broadcasting services to datacasting activities.

The ABC and SBS will, however, remain subject to ABA licensing procedures and ABA oversight in relation to breaches of genre conditions. This will ensure that datacasting services provided by the ABC and SBS remain within the general regulatory framework for datacasting.

Finally, the bill makes a number of minor technical amendments to the provisions of the Broadcasting Services Act 1992 inserted by the Broadcasting Services Amendment (Digital Television and Datacasting) Act 2000.

Mr STEPHEN SMITH (Perth) (5.05 p.m.)—The Broadcasting Legislation Amendment Bill 2001 contains a range of minor or technical amendments to the government’s digital TV and datacasting legislation, which was enacted in the parliament in June 2000. This bill was introduced in the Senate and is presented to the House in an amended form. The provisions the bill contains, as outlined by the Minister for Veterans’ Affairs, are, in a sense, technical and minor in nature and cause the opposition no difficulty here—as they caused us no difficulty in the Senate. The bill contains provisions that are different from those presented to the Senate in respect of the codes of practice that were adopted in the Senate, with a trifecta of support—from the government, the opposition and the Democrats, all of whom moved, variously, amendments to effect the codes of practice provisions.

There is one provision of the original bill which was adopted by the Senate but subsequently deleted from the provisions of the bill when the Senate split the bill, when the government colluded with the Democrats to avoid the question of unrestricted multichannelling for the ABC and SBS. That was deleting a provision which the government had contained in the original legislation as presented to the Senate and which had the support of the government, the Democrats and the opposition to enable SBS to multichannel in respect of international news broadcasts. That is not contained in the bill as presented to the House because of the incompetence of the Democrats and the malice of the government so far as the ABC and multichan-
nelling is concerned, and I am unsure as to whether the government is proposing to move an amendment to the bill in this House to rectify that combination of malice and incompetence.

I await the consideration in detail stage with interest. As I have indicated, when the bill was introduced in the Senate it did contain provisions different from the ones presented here. The capacity of the SBS to multichannel international news has not been presented to this House. I await with interest what the government will do, but I put the government on notice that I will be proposing to move an amendment to reinclude that provision in the bill.

There is an interesting history to this piece of legislation. The history starts when the parliament considered the framework legislation for the introduction of digital TV in 1998, and in June 2000 the parliament dealt with the government’s detailed legislation to effect implementation of that framework. As the opposition made clear in this House and in the Senate when that legislation was introduced, just as we made clear when the government announced its proposed detailed implementation in December 1999, we believed the proposed provisions in respect of datacasting were much too restrictive. We believed that the content or genre based regime which the government was proposing to introduce would essentially strangle a new industry at birth and would not enable one of the balances to be struck which the parliament had sought when it considered the framework legislation in 1998—which was the introduction of a new industry which would provide diversity of content, namely, datacasting.

When this bill was presented to the Senate, the opposition moved amendments to amend the government’s datacasting regime consistent with the amendments that we moved in the course of the parliament’s consideration of the legislation in June 2000. Those amendments would have the effect of providing a general regime for the introduction of datacasting, a regime which would not allow datacasting to become de facto or backdoor broadcasting. That central premise, which was found in the framework legislation as one of the balances to the introduction of digital television—that central premise—is part of the fundamental starting point of the opposition’s approach in this area. We moved the amendments unsuccessfully in the Senate and in the House in June 2000. We moved them again in the Senate when the Senate considered this piece of legislation recently, and I will put the government on notice that I propose in the consideration in detail stage to again move those amendments.

In the course of the parliament’s consideration in December 2000, we also moved amendments which would have had the effect of enabling the ABC and SBS to engage in unrestricted multichannelling. The history of that aspect of the legislation is well known but often misunderstood advertently or inadvertently. In December 2000 the opposition moved amendments in the Senate to the effect that the ABC and SBS, the two national public broadcasters, would be able to engage in unrestricted multichannelling. The Democrats supported that amendment, which presented the government, which was implacably opposed to that measure, with a dilemma as to whether or not it would agree to that amendment. The government made it crystal clear to the opposition that it would not countenance in any way unrestricted multichannelling by the ABC or SBS and, on that basis, presented to the opposition a list of approved areas where the ABC and SBS would be able to engage in multichannelling.

In the course of consultation with both the ABC and SBS at senior management level, the ABC and SBS advised the opposition that the listed multichannelling activity, which the government was proposing to allow the ABC and SBS to be authorised to engage in, covered the areas of content that they, at that point in the cycle, had in mind so far as multichannelling was concerned. On that basis, and given that the opposition did not want to delay the passage of the legislation to effect the introduction of digital television by 1 January 2001, we reluctantly
agreed to the restricted list system. I made the point publicly, when the legislation went through the Senate in June 2000, that our policy was and remained one of unrestricted multichannelling for the ABC and SBS and, when in government, we would fix the problem.

The government has provided us with an opportunity in the Senate in recent weeks and we have taken the opportunity of again moving in the parliament our proposals that the ABC and SBS ought to be the beneficiaries of unrestricted multichannelling. Again, on this occasion that amendment by us was supported by the Democrats. That presented the government with a dilemma, because it continues to remain implacably opposed to the ABC and SBS having unrestricted multichannelling, just as it continues to remain implacably opposed to a general datacasting regime. Out of the blue, subsequently we found collusion in the Senate between the incompetence of the Democrats and the malice of the government, which saw the government and the Democrats conspire and collude to remove the multichannelling aspects of the bill as amended from this piece of legislation and to list that as a separate piece of legislation for consideration in the Senate on 6 August 2001.

The problem for the government—and more acutely for the Democrats—is that the government and the Democrats, engaging in their GST-like collusion on multichannelling, displayed their incompetence and removed from the bill the provision which related to SBS international news multichannelling and we now find that provision absent from this piece of legislation. We will see whether the government is able to find the competence to amend this bill as presented to the House to reinstate that provision, which was one of the central bulwarks, as I recall, of the rationale for the introduction of this piece of legislation and certainly at the very heart of the Democrats’ desire to see the passage of this piece of legislation.

So the malice of the government and the incompetence of the Democrats in their handling of the ABC and SBS multichannelling may well see, from the government’s perspective, a perfect outcome: no extension of the list of areas where the SBS can engage in multichannelling, no need to revisit this matter in the Senate next month, and the Democrats with more egg on their face than they had previously on this matter. That is because, despite their passion to see this piece of legislation dealt with in a non-controversial fashion by the parliament, it has now been put off by their own actions to August of this year. ‘O, what a tangled web we weave, when first we practise to deceive!’ Indeed, what a tangled web we weave when first we practise to deceive on the GST and on the ABC—it rings true for the Democrats, the party that gave you the GST in collusion with the Liberal-National coalition, the party that did not give the ABC and SBS unrestricted multichannelling as they colluded again, this time in an incompetent fashion, with the Liberal and National parties on multichannelling.

As I have indicated, we will again be pursuing the array of amendments we moved in the House previously to seek to ensure that we have a datacasting regime in this nation that will not allow de facto or backdoor broadcasting but that might enable the development of a new industry. The general regime which we proposed in the Senate and in the House in December 2000 was met with quite wide acclaim in the industry. That the government’s restrictive regime essentially leaves a new industry with the notion that it may well be strangled at birth and with no great place to go is reflected in the fact that the current datacasting spectrum auction has seen effectively only two major players remaining in the field: Telstra and NTL.

In debate on this in the Senate the other day, I noticed Senator Alston waxing lyrical about how all the players were there, including Fairfax and News. The truth, of course, is that News was never there and Fairfax withdrew, leaving two quite difficult problems as far as datacasting is concerned. One is that the sale of spectrum only for Melbourne, Sydney and Perth will be conducted on the basis of a competitive auction. The second is that the only two principal
bidders, Telstra and NTL, are carriers rather than content providers. That is, the only two major players in the field, Telstra and NTL, are essentially transmission agencies or carriers rather than content providers. The opposition has argued—and it is reflected in the second reading amendment the circulation of which I have authorised—that the government should take this opportunity before the spectrum is auctioned to pause the datacasting spectrum auction to enable the parliament to adopt a more general regime for datacasting and to give a new industry that will add diversity of content the chance to develop. Once the datacasting spectrum has been auctioned on the basis of the government’s current regime, it will be a difficult exercise for a future government to unpick. So this is the government’s last chance. I would have thought that they would have got the message. With the industry demonstrating its opinion by walking away and by not bidding, I would have thought that they might want to take this last opportunity to ensure that there is some semblance of a datacasting industry in this country.

It is quite clear that the government’s datacasting regime is a manifest failure. There are two fundamental problems with the spectrum process. One is that there is no competition in any area other than Melbourne, Sydney and Perth. They are the only centres where a competitive bid is possible, given the structure of the bid and that players have subsequently withdrawn. The other problem is reflected in the lack of interest in the auction process: you have only two principal players, both of whom are carriers rather than content providers. The government have an opportunity to fix it. This is their last opportunity. They could pause the auction, fix the legislation and still enable the auction to be conducted in the course of this financial year so that they could, as they want and in accordance with their stated budget position, return those funds to the Commonwealth this financial year.

I will not digress too much but, when the government nominated in the papers associated with the May 2000 budget a $2.6 billion figure for the collection of revenue from spectrum auctions, that was a first in monumental and historical incompetence as well—the first time that we have seen the Commonwealth essentially incompetent in the budget papers what it expects to receive as proceeds from spectrum auctions. The $2.6 billion is looking nothing like $2.6 billion today, so the whole basis upon which the government fabricated a surplus for that budget—$2.6 billion worth of spectrum proceeds—is now blown away entirely. That was another fundamental mistake in the handling of this matter by the government, with Treasurer Costello nominating for the first time in history what the Commonwealth expects to receive from an auction process. That is why you have an auction process: to enable the revenue to the Commonwealth to be determined by an essentially unencumbered market process.

Insofar as the ABC and SBS are concerned, as I have indicated, we will re-run our amendments to enable the ABC and SBS to have unrestricted multichannelling. We will also re-run our amendments to ensure that neither the ABC nor the SBS have to pay datacasting fees. I note the undertakings that Minister Alston has given in the Senate—that it is not the government’s intention to charge the ABC or SBS datacasting fees—so, in that sense, we are heading in the same direction, but there is no reason why that cannot be formalised in legislation. That is what the government is currently saying, but it would not be the first time that they did something different in respect of the ABC or SBS, and you would not be surprised if they did. So I am not surprised that we are not able to see the colour of their money by their supporting a legislative provision in that area.

So far as the extension of the ABC Act and charter provisions to ABC datacasting or online activity is concerned, again we will pursue that amendment in this House. And there is a history to that provision as well. When the ABC-Telstra online deal was floated in the course of last year, I made public comments which reflected my very grave concern about that proposed arrangement, and the opposition was successful in
ensuring that a Senate committee examined that arrangement and also looked at the long-term question of the applicability of the act and charter to the ABC’s online activity or datacasting activity. I noted recently public statements by Senator Bourne, the Democrats spokesperson, giving the Labor Party the appropriate credit for pursuing that matter, which in any event they supported.

We have seen the ABC-Telstra online deal go down, and we have the Senate still giving consideration to the more general structural question about the applicability of the act and charter to the ABC’s online activity. It is well known by people who follow this matter that currently the ABC Act and charter do not apply to the ABC’s online activity. It is currently an editorial decision of the board which sees that those provisions generally apply. So we have moved in the Senate a very simple amendment which would have the effect of extending the operations of the ABC Act and charter from that which the ABC does traditionally to ABC online and datacasting activity.

There is a very simple and obvious example that will crystallise that. Currently, of course, the ABC Act and charter prevent the ABC from engaging in advertising on radio or TV. The adoption of an extension of the act and charter to the ABC’s online activity would have the effect that online and datacasting of the ABC would not be allowed to engage in advertising. It is quite straightforward.

So I was absolutely gobsmacked when the Democrats colluded with the government in the Senate to refuse to extend the protection and provisions of the ABC Act and charter to the ABC’s online and datacasting activity. I was absolutely gobsmacked that the Democrats would put themselves in the position of supporting the government in a public policy position which could see the ABC advertising online and by way of datacasting. If I was gobsmacked about the collusion on the GST and gobsmacked about the collusion on multichannelling, this one was a complete mystery. There we have the GST-supporting Democrats out there supporting the notion that the ABC could advertise on its datacasting services or online. This mystified me, coming from the Democrats, the party which has allegedly stood up for the ABC over the years. Then again, after they colluded with the government and introduced an unfair taxation system called the GST, what would really surprise us in the end so far as the Democrats are concerned?

So we will be rerunning those amendments in this House to extend the provisions of the act and charter to the ABC’s activity online and by way of datacasting. We have moved the codes of practice provisions which I referred to earlier by way of amendments in the Senate—one of the rare occasions in recent times where there was a unity ticket. The government picked up those amendments, as did the Democrats, and they are now, as the minister has indicated and I have noted as well, contained as part of the legislation. Those sentiments are reflected in the second reading amendment which I will formally move. And I am pleased that my colleague the member for Lilley, who takes an intense interest in matters ABC, is in a position to second this second reading amendment. I move:

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

whilst not declining to give the bill a second reading the House

(a) condemns the Government and the Australian Democrats for colluding in the Senate to delay consideration of ABC and SBS unrestricted multichannelling until August 6 2001; and
(b) calls on the Government;

(i) to suspend the auction of datacasting spectrum until the Parliament has completed its consideration of the bill while still allowing the auction process to be completed this financial year; and
(ii) to rectify its failure to adequately resource the ABC to effect the national public broadcaster’s transition to the digital world”.

I might conclude on that point, so far as resources to the ABC are concerned. There are, if you like, two sorts of resources which a
government of the day can give the ABC as the national public broadcaster. One is the intellectual resource, or the leadership resource, which comes from the government of the day proselytising the notion that the ABC, as the national broadcaster, is an important institution in our society. Rather than doing that, we have seen the government of the day, since it was elected in 1996, tear up the promise that it made in the course of that election campaign and do nothing other than place the ABC and SBS under enormous financial and political pressure. Secondly, we have seen, so far as the financial resources of the ABC are concerned, the government rip $66 million out of the ABC in the 1996 budget, and that has continued per year since that time. We have also seen the government refuse to adequately resource the ABC for its transition to the digital world.

What stark contrast do you find between the government and the opposition, the alternative government, so far as these matters are concerned? If you want a viable datacasting industry and a viable datacasting regime in this country you have obviously got to change the government. If you want the ABC, the national public broadcaster, to be adequately resourced you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government. If you want the ABC and SBS, our national public broadcasters, to engage in unrestricted multichannelling to the benefit of Australians—in particular to the benefit of those Australians who live in rural and regional Australia—you have got to change the government.

Mr BRUCE SCOTT (Maranoa—Minister for Veterans’ Affairs and Minister Assisting the Minister for Defence) (5.30 p.m.)—by leave—I present the revised explanatory memorandum for the Broadcasting Legislation Amendment Bill 2001.

Mr MURPHY (Lowe) (5.31 p.m.)—I rise this evening to support the amendments moved by the member for Perth, the shadow communications minister, who would do an infinitely better job than Minister Alston, and he will be doing it after 17 November this year, I have absolutely no doubt. My contribution to the debate on the Broadcasting Legislation Amendment Bill 2001 tonight is to highlight once again the government’s pandering to entrenched corporate interests in the media industry. I will demonstrate that, in this and other bills moved by this government, there is a concerted campaign of capitulation, apology and concession to the media magnates which has stifled competition, denied the general public greater services and choice, and slaughtered the public interest. In this evening’s bill, combined with other bills by the government, we have seen where they have firmly entrenched the media oligopoly that dictates what we hear and see through Australia’s media.

I draw to the attention of the House three points at issue: (1) the infamous genre clause found in schedule 6 of the Broadcasting Services Act, (2) original versus actual policy and intent of CTV embargo, and (3) waiver of licence fees for the Australian Broadcasting Corporation and the Special Broadcasting Service. The bill this evening is the 10th amendment since 1996 to the 1992 legislation, the Broadcasting Services Act. Perhaps second only to the A New Tax System legislation in terms of the number amendments to an original act, this bill represents one of the most often amended acts in Commonwealth legislation. So substantial are these changes that the consolidated act as amended bears little resemblance to the original act. Why is this fact important? This fact is important because a review of the amendments provides an audit trail of an insidious policy shift which this government
has implemented in datacasting legislation in Australia.

What are those policy shifts to which I refer? The audit trail of policy shifts contained in the various amending bills begins with the Television Broadcasting Services (Digital Conversion) Act 1998, the TBC act. Assent to the TBC act was given on 27 July 1998. The relevant provisions to which I refer are found in schedule 1 of the TBC bill that amended section 28 of the Broadcasting Services Act 1992. I cite from the explanatory memorandum to the TBC act tabled in 1998 by the Minister for Communications, the Information Economy and the Arts, Senator the Hon. Richard Alston. At page 20 of the explanatory memorandum he states:

Item 1—Amendment of section 28—Limitation on allocation of commercial television broadcasting licences. Section 28 of the BSA prohibits the Australian Broadcasting Authority (ABA) from allocating more than three commercial television licences in any broadcasting licence area before a date specified by Proclamation, being a date not earlier than the completion of the review referred to in section 215 of the BSA.

The date specified by proclamation is 31 December 2006. Item 18 of the explanatory memorandum for the Broadcasting Services Amendment (Digital Television and Data-casting) Bill 2000 states at page 70:

This item makes a minor technical amendment to section 28 of the Act, which prevents the allocation of new commercial television broadcasting (CTV) licences before 31 December 2006.

The pressing question in respect to this moratorium on CTV licences is: why has the Howard government sought to make the amendment to section 28 in the TBC act? The answer to this question is found in the explanatory memorandum of the TBC act at pages 20 and 21. It reads:

Item 1 of Schedule 1 to the Bill will amend section 28 of the BSA so as to prohibit the ABA from allocating more than 3 commercial television broadcasting licences in any licence area before a date specified by Proclamation, being a date not earlier than 31 December 2008. This will allow the existing free to air commercial television broadcasters a transition period in which to meet the initial costs of digital conversion and parallel digital/analog transmission before the licence allocation restriction can be lifted.

I note from media statement No. 34/98 dated 24 March 1998 from the Department of Communications, Information Technology and the Arts that, whilst the date of December 2008 is cited, I understand that this date was later changed by the Senate to 31 December 2006. However, the intention in this explanatory memorandum and act bears no resemblance at all to the original section 28 of the BSA. For the purpose of comparison, I cite from page 32 of the explanatory memorandum to the original 1992 act, being the explanatory memorandum to the Broadcasting Services Bill 1992. I ask that each member of this House pay careful attention to the different emphasis in the original 1992 provision to that which appears in the 1998 provision. The 1992 explanatory memorandum states:

Clause 28—Limitation on allocation of commercial television broadcasting licences. This clause prevents the allocation of more than 3 commercial television broadcasting licences in any licence area before a date to be fixed by Proclamation ... The review, which, amongst other things, is to cover the need for further commercial television broadcasting services in Australia, must be completed by 1 July 1997.

We see at a glance that the 1992 explanatory memorandum clearly contemplated an embargo on CTV licences until a review of further television broadcasting services could be carried out. The 1992 explanatory memorandum goes on to explain that:

The reason for this embargo is that it is considered that, because of the relatively limited size of the Australian market, current commercial television broadcasting licences require a certain period to adjust following:

The impact of a number of significant changes in broadcasting policy in recent years, including the implementation of the Government’s Equalisation Policy; and the introduction of competition from new types of broadcasting services, in particular, subscription television broadcasting services.

Ha, ha! Indeed, there was a review of further television broadcasting services which occurred in the form of report No. 11 of the Commonwealth Productivity Commission
Allowing new entry is the key to greater competition in Australia’s broadcasting industries and to the loosening of regulatory ties that have constrained its development and growth... If the Commission’s recommendations on defining datacasting as digital television are adopted, such that new entrants would not be classified as commercial broadcasters, section 28 would apply only to analog services. There is insufficient spectrum available for new analog services, so section 28 would eventually become redundant. However, if the Commission’s proposed definition is not adopted, this provision would continue to be a barrier to competition. Either way, it should be repealed immediately.

With these recommendations in mind, I now turn to the genre clauses found in schedule 6 of the BSA. It is these provisions which have raised the concern of the Productivity Commission and led to their strongly opposed conclusions. Schedule 6 was included by operation of law through the passing of the digital television act. I cite from Bills Digest No. 82, 2000-01, at page 1:

Schedule 6 establishes the licensing system for datacasters and contains a series of restrictions to ensure that datacasters are not seen to be de facto television broadcasters. Datacasting licensees will be subject to ‘genre conditions’...The genre conditions have been subject to criticism by potential datacasters.

In effect, this government has done the following—firstly, fundamentally altered the purpose of section 28 from its original intention to preserve the three commercial licence holders’ monopoly over the existing market until certain factors were accommodated, namely, changes in government policy and technological impacts; secondly, in its place, section 28 has become an instrument that prohibits market entry of prospective datacasting licence applicants; and, thirdly, redefined datacasting to deny new competitors, thus denying the public new services and benefits from true competition that would follow. In short, schedule 6 and the total overhaul of section 28 has denied the public new services and beneficial competition. These provisions represent a capitulation to the entrenched media oligopoly that has monopoly control over our domestic market, and fundamentally compromises the statutory intent of the original scheme.

I next turn to the issue of local content, for cultural impacts were considered an essential factor when the original discussion about licensing was first raised in the 1990s. I will also address the future of the ABC and the Special Broadcasting Service, as these two national carriers play a vital role in this issue. The impact of this legislation has had a direct competitive impact on both the ABC and the SBS in respect of providing a diversified choice of media for the benefit of the general public in the public interest. There is much information on cultural impacts of the two main influences leading to this legislation, being (1) government policy and (2) technological impact. Simply, the issue of local content in programming, the cultural integrity of Australian media of all kinds, has played a significant part in forming media policy in Australia.

I am proud to say that the ABC and SBS have led the field in providing Australian content and have been major contributors to Australia’s cultural development. This is a responsibility they have never shirked from. Indeed, they have admirably fulfilled their charter obligations in the public interest. It is therefore distressing to see that the government is starving the ABC and SBS of the money needed to upgrade their services to datacasting capacity. To explain the significance of this point, I wish to make it clear that the three media magnates who control the three television networks in Australia have so far had eight years of statutory protection in which to migrate and adapt their technologies across and accommodate changes in government policy.

By operation of law, that is, under statutory proclamation, the Australian media oligopoly now has an additional six years—that is, until 1 January 2007—in which to accommodate changes to datacasting. The Australian media oligopoly can thank the government’s fundamental redefinition of section 28 of the BSA, as described earlier, which was proclaimed in complete contra-
diction of the Productivity Commission's strongly worded recommendations as I referred to a moment ago. So what is the financial impact of this government's pandering to the media oligopoly? I first turn to Bills Digest No. 178 of 1997-98 on the TBC Act, which states at page 2:

It is estimated that infrastructure upgrading will cost the three commercial TV networks about $500 million dollars in capital investments in the first three to four years as well as adding $30 to $50 million to their annual operating costs. For the ABC and SBS, the combined cost could be around $200 to $250 Million.

I next turn to the Parliamentary Library's resources guides service policy paper titled Funding of the Australian Broadcasting Corporation dated 20 November 2000. Page 5 of that paper states:

Appropriations Bill No. 1 provides for both operating revenue ... and transition costs. Equity injections are provided for by Appropriations Bill No.2. The substantial increase in capital funding in 1999-00 and forward years is due to: * Funds for digital conversion—the 1998-99 Budget provided $20.8 million from 1998-99 to 2001-02 and the 2000-01 Budget provided $30.4 million from 2000-01 to 2002-03; and * $29.1 million in 1999-2000 to meet debt financing arrangements.

I turn now to today's Sydney Morning Herald article at page 4, titled 'Shier: I can't do my job without more money'. The article states:

Mr (Jonathan) Shier also revealed that the national broadcaster was preparing to begin its foray into digital television with the launch of a 24-hour channel by the middle of the year ... But he warned that his plan to expand the ABC's programming and services could not be realised without a substantial injection of funds. Already he has put in a bid for an extra $40 million in this year's budget, but the Government has refused to respond to his demands.

It is outrageous that this government will not allow the ABC and SBS to have the money necessary to implement the technological changes to make it possible to participate in datacasting.

The intent of the government is total and is now very clear. On the one hand, this government has made fundamental and totally contradictory changes to broadcasting legislation by unashamedly pandering to the media oligopoly of the commercial licence holders. I have shown how this government has changed the legislation to protect the monopolistic privilege in the hands of three existing media magnates over the Australian broadcasting market.

Miss Jackie Kelly—And you back Murdoch.

Mr MURPHY—Don't worry, Minister; Murdoch will knock you over.

Madam DEPUTY SPEAKER (Mrs Gash)—Order! Direct your remarks through the chair.

Mr MURPHY—She interjected, Madam Deputy Speaker, and I will knock her over every time she sticks her head up.

Madam DEPUTY SPEAKER—I was actually making my remarks to the minister.

Mr MURPHY—Thank you, Madam Deputy Speaker. Further, this government has systematically ignored the express recommendations of the Productivity Commission's findings. Moreover, the government is starving the ABC and SBS of essential funds in their attempt to remain competitive against the commercial licence holder oligopoly that the government has pandered to. Hence, I may say, in light of the demonstrated facts contained in this analysis, that this government's communications policy is nothing more than a shameless apology to the corporate and sectional interests of the Australian media oligopoly that manipulates and controls broadcasting in all its forms in Australia.

Miss Jackie Kelly—Not as bad as Murdoch.

Mr MURPHY—Mr Packer will be changing sides too, because they have had a gutful of you. The consequences of this government's policy direction are frightening. This is quite a serious topic and the minister should listen. They include high concentration of media control and market share in the hands of three existing commercial licence holders, and stifling and ultimate deprivation of desperately needed funds for the ABC and SBS in order for them to technologically
compete with the commercial licence holders, who, I say again, will have had twelve years, that is, till 1 January 2007, of statutory monopoly to entrench their commercial interests, thanks to this government. Another consequence is statutory denial of entry of other datacasting operators to compete in this market.

Just as with the banking industry or the telecommunications industry, this government has pandered to the largest sectional interests of the big end of town. In the banking industry, it has manipulated the legislation, affording no banking social charter and sitting back while branch after branch closes its doors. As with the Telecommunications Act, the government prostituted the original intent of the legislation by relaxing of local ownership requirements to certain carriers, by issuance of declarations which waived local ownership rights. On each and every occasion, this government has predicated its policy on pandering to its mates and, as I said at the beginning, slaughtering the public interest. It has done so again today in this bill and ancillary legislation, through the enactment of laws that subrogate the original legislation.

I therefore call on the Minister for Communications, Information Technology and the Arts to do these things: first, supply money through Appropriation Bills to meet the financial obligations of the ABC and the SBS to make the technological changes necessary for the conversion of their services to datacasting; secondly, to implement fully the recommendations of the Productivity Commission as noted above, and in particular the redefinition of section 28 of the BSA Act; thirdly, to delay the auction of datacasting spectrum until such time as the parliament reconsiders the government’s datacasting regime; fourthly, to make statutory provision exempting the ABC and SBS from paying datacasting licence fees; fifthly, to make amendments to remove the limited restrictions on the ability of the ABC and the SBS to multichannel; and, sixthly, to move amendments to extend the ABC Act and charter to online datacasting services.

Without these amendments and proposals being implemented, this government will never be forgiven or forgotten for having deliberately and systematically spoiled the capacity of the ABC and the SBS to compete in the policy and technological environments these national carriers now find themselves in. The government is producing a future of the Australian media where datacasting and broadcasting will see a further reduction in competitiveness by denial of new entrants in the market while crushing the ability of the ABC and the SBS to participate in the new technological environment. The cultural impacts of such policies on the Australian public are truly grotesque. The impacts include stifling of media diversity and narrowing choice and balancing of essential media services.

The policy of this government cannot be allowed to succeed, and I urge every member of this House to adopt the recommendations I have made today, concomitant with the amendments moved by the soon-to-be new Minister for Communications, Stephen Smith. I have spoken many times in this House about the importance of public broadcasting in our country. I am extremely concerned about the lack of diversity in media ownership in Australia. It is curious that over a significant period of time the likes of Mr Packer and Mr Murdoch would like to see changes to our media laws, but not in the public interest, only in their interest. I believe that at some future time we have got to do something about this to change laws to ensure that there is greater diversity of media ownership in this country, because very little of what is said in this House—and we represent the people, particularly when we are in government—is actually broadcast. It is manipulated by the big media players. So it is in the public interest to have greater variety of media ownership, particularly in this technological age with all the different manifestations of communication which are growing day by day, to ensure that we get balanced reporting across Australia. The ABC has been hammered many times for so-called bias, but it can never win. As I have said in this chamber many times, if it runs an item
against the government of the day, state or federal, it will be accused of bias. It is doing its job, and we have got to support the ABC to provide some competition to the commercial players. (Time expired)

Mr MOSSFIELD (Greenway) (5.51 p.m.)—I rise to speak on the Broadcasting Legislation Amendment Bill 2001. This bill makes some minor and technical amendments to clarify amendments made to the Broadcasting Services Act 1992 as amended by the Broadcasting Services (Digital Television and Datacasting) Act 2000. I support the amendment moved by the shadow minister for communications, Mr Smith. This bill could have been much more than it is. This could have been an opportunity for the government to take us into the 21st century. But, as usual from this backward-looking government and Prime Minister, the 21st century is still some 40-odd years away. 1 January 2001 heralded in the new era of digital television. However, thanks to the government’s lack of anything remotely resembling competence, this great event was witnessed by all of about 15 people. It is yet another example of the government catering for the privileged few.

Back in 1956, when television was first introduced to this country, there were roughly 100,000 sets in use to view the very start of this new technology. All John Howard’s government could manage with digital television and so much more in the way of resources was a handful of people and not one set top box commercially available to the public. This was a monumental stuff-up and would be laughable if it were not so serious. It was not as though the government was not warned that it was going to happen. One example of what was being said in the media about that time is stated in an article in the Australian on 11 October by Michelle Gilbert and Dennis Shanahan which says:

The revolution will not be televised—the digital TV revolution, that is.

The three commercial networks have conceded this week there is unlikely to be digital television equipment in shops in time for the start of digital TV on January 1. The federal Government is concerned that instead of being another symbol of the ‘new economy’, digital TV could become a severe embarrassment next year if too few viewers have compatible TVs.

So the Nine, Ten and Seven networks have agreed to underwrite production of the nation’s first batch of digital TV receivers, at a cost of up to $6 million.

That forecast certainly proved to be correct. 250 years ago, the world was in the middle of the Industrial Revolution. There was a great deal of social upheaval and many within society were unable to cope with the rapid changes that were taking place. Vast numbers of people did not share in the benefits which the revolution brought with it. Overwhelmingly, these people came from lower socioeconomic positions within society. That sounds familiar. 250 years ago, governments were not all democratic. Essentially, there was no protection from the government for ordinary citizens. In fact, the modern form of democracy that we know today was born out of those times.

Modern-day governments exist to protect the rights of ordinary citizens in a way that did not happen during the Industrial Revolution. Governments exist to make sure that, when the next revolution comes along, the ordinary citizen will not be left behind as they were 250 years ago. Well, the next revolution has arrived. Today, we are right smack bang in the middle of a technological revolution and again vast numbers of people are missing out on the benefits that this revolution is bringing. The government is failing in its basic responsibility to make sure that no-one is left behind. The digital divide is a term that has only recently been invented, but the mere fact that the term was invented at all shows that there are large numbers of people who are being left behind. Information is the key and information technology is the tool. This government just does not understand the tools it has to work with. Digital television and datacasting are classic examples of a government totally baffled by the new technology.

So what is datacasting? According to the Broadcasting Services Act, datacasting is a service other than a broadcasting service that delivers information, whether in the form of
data, text, speech, images or in any other form, to persons having equipment appropriate for receiving that information, where the delivery of the service uses the broadcasting services band. In layman’s terms, the analog signal from a television station to your set at home takes up a certain amount of space within the transmission spectrum. For instance, Channel 9 in Sydney is transmitted at 196.250 megahertz and if you tune your television to that frequency you get Channel 9. If you are slightly off, you still get a signal but it is pretty bad reception. That is because Channel 9 uses about 7 megahertz to transmit its signal or, in effect, between 193 megahertz and 199 megahertz. A digital signal, on the other hand, is much more narrow and precise, and so is the equipment used to do the tuning.

So in the seven megahertz space around 196 megahertz which Channel 9 uses for one analog signal, you could fit three digital signals—in effect, three channels. If you were watching the cricket on one of those three digital signals, for instance, another slot could be used to carry all of the statistics of the players which you could access whenever you wanted or, staying with cricket, if the 6 o’clock news is about to come on but there are still five overs to be bowled, both could be covered. That essentially is what datacasting is—the ability to put more information in the same amount of broadcasting space. This means that the move to digital transmissions should result in far greater room for new players, more competition and additional services, but that is not likely to happen under this government.

In 1998, the government sat down with all the media players, the opposition and the Democrats and devised a regime for digital television. While not everyone was happy with the compromise, what was achieved gave everybody something, if not all that they wanted. When the legislation came before this House in 2000, it was clear to all that the government had ratted on the deal. This government is now going all out to protect the current free to air stations, basically because Kerry Packer told them to. The government has put in place restrictions on what sort of information may be datacast. Essentially, anything that looks vaguely like a television program is not permitted by this government. The datacasting regime in this country is not well liked by many people, I am grateful to the Parliamentary Library for providing me with an issues brief regarding datacasting. It outlines some of the reaction to the datacasting legislation. The Productivity Commission’s inquiry into broadcasting criticised the restrictions on datacasting. To emphasise this point, I refer to a press release put out by the shadow minister for communications which refers to the Productivity Commission’s inquiry. It states:

Even the Howard Government’s own Productivity Commission Inquiry into Broadcasting criticised the Government’s datacasting regime. In its March 2000 Report, the Commission said at pages 14 and 15 that:

The benefits of digital television can be enhanced if restrictions on datacasting content are relaxed...

The Government’s current policy prescribes certain services and restricts content... This policy stifles competition and innovation... Regulatory restrictions on datacasting... services will be costly to Australian consumers and businesses alike. They will delay consumer adoption of digital technology and deprive business of opportunities to develop new products and services for the world...

The Productivity Commission noted that the government’s restriction on datacasting:... could have a particularly severe effect on regional consumers who have limited access to other broadband digital platforms.

Other groups had some concern about the government’s legislation. The Australian Information Industry Association claimed that the datacasting restrictions would impede Australian industry, the Australian Consumers Association claimed that digital policy is pandering to the commercial broadcasters, the Internet Industry Association urged the government to reconsider its policies, the Australian Subscription Television and Radio Association criticised the provisions permitting enhanced programming and argued that the commercial networks’ support for high-definition digital TV was...
purely to prevent others using the spectrum, John Fairfax Holdings Ltd and Telstra both announced they would suspend datacasting trials because of the restrictions, and News Ltd claimed that the legislation would put the free-to-air broadcasters beyond competition and retard the social benefits of datacasting. About the only group that supports the legislation is the Federation of Commercial Television Stations, and that is because it has more to gain—although even Kerry Packer has criticised the legislation, but that is because newspaper owners would be permitted to obtain datacasting licenses. This of course is the media ownership can of worms that I will be referring to later.

The flow of information to the citizen is vital to the operation of a modern democracy. Restrictions placed on that flow of information restrict democracy. Labor amendments would ease programming restrictions on aspiring datacasters and encourage new media diversity. It is our view that the government’s datacasting regime is much too restrictive. It will reduce the chance of a new industry having the capacity to deliver new and innovative services to Australia. Our amendments demonstrate a clear and favourable distinction between Labor and the government at a time when the Australian people are expressing a keen interest in Kim Beazley’s proposals for a University of Australia Online. In June 2000 the shadow minister for communications, Stephen Smith, authorised amendments to the Broadcasting Services Amendment (Digital Television and Datacasting) Bill 2000 which would have liberalised the government’s datacasting regime while maintaining our 1998 parliamentary commitment that a datacasting service could not be a de facto broadcasting service. These amendments were not supported by the government but were widely supported by independent industry analysts.

This new technology opens up all sorts of possibilities that we cannot even begin to imagine. Of course, there are many factors that influence the flow of information, not least of which is, as I have said, media ownership. But the issue of commercial pressures is one we must also examine in detail. The recent cash for comments scandal involving John Laws and Alan Jones shows just how insidious commercial pressures can be. It demonstrates how the free flow of information can be subverted by the commercial dollar. That is why we have the ABC; that is why the ABC must remain commercial free.

While I am not surprised by the government’s actions, I must say that I am very surprised by the actions of the Democrats in the Senate last week when they voted down a Labor amendment that would have ensured any digital broadcasting or datacasting undertaken by the ABC would remain commercial free. The Democrats, in yet another betrayal of their voters and supporters, left the door wide open for the ABC to be commercialised and privatised. The ABC are in crisis. They have been starved of funds by this government and are close to grinding to a halt on programming. It is true that there are funds set aside for the move into digital and datacasting but not one cent has been set aside for content. The ABC are so starved of funds at the moment that they are running out of content for their free-to-air service. They do not even have enough money to buy another re-run of Yes, Minister, let alone a new program. How could they possibly cope with the extra content requirements that multichannelling and datacasting bring?

In effect the government have said, ‘We will give you the technology to datacast but you will be datacasting a test pattern.’ What is the point? The ABC is part of the fabric of Australian society and has been since the first radio broadcast in July 1932. When television came along there was the ABC broadcasting from October 1956. With the invention of the Internet, once again ABC Online came into being in 1995. Every new medium has seen the ABC grow and provide content free from the pressures of commercialism to the Australian people. In every medium the ABC has been recognised for its outstanding achievements.

I want to refer to the awards that the ABC has received recently. In 1998-99 alone, the ABC won an astonishing 209 awards at a local, national and international level across
all forms of media, not to mention a further 73 awards based on sales achievements for merchandise. The ABC is clearly a world leader. The future, however, is far from rosy. The possibilities of digital television with its interactive datacasting abilities are, as I have said, beyond what we can imagine, but the ABC is in very real danger of being left behind through lack of funds. This is new technology—a revolution in the information age—the boat is pulling away from the quay and our national broadcaster is stuck in the traffic trying to get to the pier. And all this government can do is put up more roadblocks.

The government want the ABC to fail. That is their hidden agenda in all of this. If they starve the ABC of enough funds and the ABC collapses, then the government will be happy. They will have the excuse to flog it off or at the very least introduce advertising. Of course, once advertising is introduced, it then gives the government the perfect excuse to cut more funding. ‘Well, you’re getting advertising money now,’ they will say, ‘what do you need government funding for?’ It becomes a vicious circle, much like the universities and the CSIRO are experiencing under this government. Both universities and the CSIRO were given the ‘freedom’ to raise money from other sources and when they did—lo and behold—what happened? The government cut funding. Make no mistake: any advertising revenue raised by a commercialised ABC would mean only government funding cuts and the ABC in the same precarious position with regard to funding that it is in now. Only it will be worse, because it will then be vulnerable to all the pressures and fluctuations that commercialism brings without any of the stability that government brings. The commercialisation of the ABC is something we should strive to avoid. The whole point of the ABC is that it is commercial free: it is free of the pressures that commercial sponsorship brings. Media ownership in this country is far too concentrated. The clout that a few individuals possess is incredible.

There is another reason why the ABC is vital. The ABC must remain publicly owned and commercial free, otherwise there is no point. If advertising were allowed on the ABC, it would become just another commercial network and, if it were just another commercial network, why keep it in public ownership? It needs to be kept in public ownership precisely because media ownership is already too concentrated. The ABC, therefore, needs to be kept commercial free. Commercialism is the ABC’s Trojan horse—the way to get inside it and destroy it from within. If we are not careful, they will wheel the horse through the back door of this new technology. I simply cannot fathom why the Democrats would support advertising on the ABC or how they could possibly support the partial privatisation of ABC services like ABC Online, but their actions in the Senate recently have this possibility as a consequence.

There is a clear choice at the next election: a vote for Labor is a vote to save the ABC while a vote for the Democrats or the coalition is a vote for the commercialisation and privatisation—and, in effect, the destruction—of the ABC. The plain and simple fact of the matter is that the ABC needs more finance. So where is the money going to come from? If we do not allow advertisers to buy time and opinions, it must come from the government. Remember that part of the reason that governments exist is to provide protection for the ordinary citizen. Part of that protection involves the dissemination of information and the nurturing of culture, and that is what the ABC is all about. I have great pleasure in indicating my support for the amendment moved by the shadow minister for communications.

Mr HARDGRAVE (Moreton) (6.10 p.m.)—What an extraordinary contribution from the member for Greenway! No doubt it was—

Mr Mossfield—Thank you.

Mr HARDGRAVE—He says, ‘Thank you.’ I will accept the interjection. No doubt it was written and authorised by the member for Perth in his ongoing efforts to try and keep just about everybody happy in Australia’s media. We have got the Australian La-
bor Party opposite promising everything to everyone—trying to keep News Ltd happy, trying to keep Kerry Packer happy, trying to keep the Friends of the ABC happy. It is ‘Don’t Worry Be Happy’ time as far as the opposition is concerned. What I find extraordinary in the extreme is the suggestion that the government’s agenda includes the dismantling of the public broadcaster. I find it extraordinary in the extreme to think that there is some suggestion that the government’s agenda also includes the commercialisation of the national broadcaster.

I have said on many occasions that the number of commercials that are already on the ABC offends me. I think the ABC, as a program supplier, is in fact interrupted too much by ABC commercialism. At the end of every program there seems to be a prompt to go and buy something at the ABC Shop. ‘You can buy everything on video,’ according to the ABC. I find that an absolute interruption to what the ABC should be doing. The ABC Shop until a couple of years ago was an enterprise that was costing $50 million a year. Under the previous government, it cost $50 million a year to run the ABC Shop and it brought in $51 million worth of income. It made a profit! There was a surplus in the ABC Shop—a $1 million surplus after a $50 million spend. That is much better than the deficit that those opposite left us with and which we have had to deal with over the past five years in government.

The reality is that the Australian Broadcasting Corporation was subjected, as were all other departments except Defence, to a cut as a result of the budget black hole left by the Beazley-Keating administration prior to 1996. Any complaint about a cut in income to the ABC should be sheeted home to those opposite on every occasion. The government was simply being responsible, focusing on the proper management of the economy of this country, by ensuring that its own expenditure was within the means it had to raise income in the form of taxes. It seems extraordinary to many that those opposite want to forget that they presided over such a parlous circumstance that caused that particular cut to the ABC. It occurred only once in the August 1996 budget and ever since then it has received an increase in the amount of money it receives as a budget vote each year. That cut of August 1996 occurred simply because of the Australian Labor Party and the parlous circumstance that the current Leader of the Opposition allowed to occur in the form of a $10.2 billion budget deficit.

The Broadcasting Legislation Amendment Bill 2001 is a very important piece of legislation. It deals with the consequences of the move into new technology—into the digital era—that is being embarked upon, albeit far too slowly by the commercial channels in this country, I submit, but I will come back to that presently. It is also about ironing out a few of the wrinkles as a consequence of the original legislation. It is also the fulfilment of a promise made in June of last year by Senator Richard Alston, the Minister for Communications, Information Technology and the Arts, to introduce legislation to clarify the status of datacasting by the ABC and SBS to ensure that there was the certainty that we wanted to provide to these two fine national broadcasters who serve Australia extremely well.

Free-to-air licences, including SBS and ABC, are expressly authorised by the amended Broadcasting Services Act to datacast, although they are prevented from doing so until datacasters commence in a specific licence area or for 12 months, whichever is earlier. The bill also deals with a number of minor amendments to remove redundant clauses inserted in the digital legislation last June. The primary purpose is to amend the ABC and SBS acts so the right of the two national broadcasters to datacast is specifically recognised in their enabling legislation—in other words, to make sure that datacasting is part of the act which governs an independent ABC and to ensure there are no difficulties for the ABC and for an independent SBS as a result of this new technology.

It is very important to note that the bill will not create datacasting as a charter function of the ABC and SBS, but it will certainly make it clear that both of those organisations will be able to datacast only after
fulfilling the licensing requirements of the Australian Broadcasting Authority. Nor will the bill create separate datacasting complaints regimes for the ABC and SBS. Instead, it will clarify that they will be subject to exactly the same complaints mechanisms as the commercial broadcasters or the datacasters. I know that the Friends of the ABC, who tend to have a bit of a parallel line on occasions with those opposite, will probably say that not having their own independent complaints mechanism about datacasting infringes upon the absolute independence of the ABC and SBS. I know that would be the argument that would be put. But I have to say that, given that datacasting is not a part of the charter functions of the ABC, it makes sense to ensure that any datacasting undertaken by the ABC or SBS is subject to the same standards that are expected of others participating in this form of media.

I would be mindful of the views of many people in Australian society who would be quite literally shocked by the extent of independence afforded the ABC and SBS when it comes to the types of programming and content that they have telecast over the years, confronted by subjects that are not seen in mainstream media. The four-letter word, the magic word, was dropped first on ABC television. Full frontal nudity and explicit sexual acts were all telecast first on ABC and SBS. Certainly, it seems like that to so many people. This is because the ABC and the SBS are not subject to the same broadcasting standards that commercial operators are subject to.

Whilst this is not directly related to the bill but is co-related to the bill, when you look at the way the ABC Triple J youth network have continued to drag commercial radio operators competing with them down further into the gutter in the use of profanities and certain subject matter, you see that there is a direct parallel occurring in the commercial television world as well. I do not think there is anything wrong with this amendment which is bringing forward the fact that the ABC and SBS have to maintain the same standards and be subject to the same complaints mechanisms as the commercial operators.

This bill is also about the government’s continuing commitment to a vibrant and responsive ABC and SBS. It is all about ensuring that both of these organisations are well placed with new technology to compete boldly and perhaps, as they have over the years, to boldly go where no commercial operator has gone before—to ensure that the ABC and the SBS are independent and are responding to the needs of the community. One thing that is very important is that the ABC do realise they have a service role to play—that they are, first and foremost, a service provider of information and entertainment to the broad cross-section of Australian people.

I welcome the prediction of the new managing director, Jonathan Shier, that by the middle of this year, by June—only a couple of months away—there will be a second channel for the ABC. I see that the member for Hinkler is in the chamber. The member for Hinkler and I can take some credit for forcing the hand of all parties in the Senate in that regard. The minister will concede, I am sure, that the member for Hinkler and I very strongly ran the line for a variety of channels to be afforded under the digital regime to the ABC. This was something rejected by cabinet and something not in the original bill, but it is now a fact of law because of the amendments by the Senate. I welcome the opportunity for the ABC to broadcast additional wares, aimed specifically at young people—‘children and youth’ is how it has been described. Programming content that will be of advantage to Australia’s young people will be available in the next few months on a second channel for the ABC. I welcome that announcement by the managing director, Mr Shier.

I think that Jonathan Shier, as an operator, is being subjected to immense and unnecessary criticism. He is attempting to create an ABC that is much more responsive to the views and the needs of average Australians than the current ABC has been. I read with interest an article by Piers Akerman in one of...
the tabloids yesterday which suggested that it is ‘their’ ABC, not ours—meaning so many of the staff. This is what Jonathan Shier is being subjected to day in, day out, aided and abetted by those opposite who want to see the ABC rooted in some far-flung, distant and past organisation of rebels. The ABC has a great opportunity to go forth and become far more responsive to the needs of the average Australian.

I noted in today’s press Jonathan Shier talking about the need to decentralise the ABC—not, if you like, to march the staff out of the Sydney operation and put them in the bush, although it is worth noting that the staff in Sydney cost far more per head than do those in rural and regional Australia, where they keep cutting back the staff to buy more staff in Sydney. Think that logic through! I welcome Jonathan Shier’s admission, through his statements to the National Press Club yesterday, that the ABC needs to be far more responsive to a wider range of people right across the country.

Mr Kerr—Madam Deputy Speaker, I rise on a point of order. I have been rather indulgent. This is a bill that relates to some specific matters. I think we are moving well beyond that. We have tolerated it for a while. The member may believe that his electorate will be made happy by indulgence of this kind but, frankly, he is out of order.

Madam DEPUTY SPEAKER (Hon. J.A. Crosio)—The member for Denison has made his point. I am sure the member for Moreton is well aware of the bill and will come back to the text of the bill. There has been wide ranging debate.

Mr HARDGRAVE—On that point of order, I think there has been wide-ranging debate and I believe I am well within the parameters of the bill to discuss the future of the ABC and the SBS, which is what the digital regime is all about. If the member for Denison wants to represent those who want to be rooted in the past, that is his problem. I will quote a couple of things, that I think are worth putting on the record, from today’s Canberra Times, which contains an extract of Jonathan Shier’s speech to the National Press Club yesterday. He said:

Right across the country we need to beef up the ABC’s output. It isn’t a case of frog-marching people out of Sydney to other parts of the country. I would like to think that the funding for the ABC would be so much increased that every part of the corporation will grow and Sydney will be part of that.

He went on to say:

... I don’t want to produce less programs in Sydney... it’s just that I would also want to produce a lot of programming elsewhere, and therefore the percentage of programming produced in Sydney might go down.

I think Jonathan Shier’s aspirations to get more programming produced in other parts of the country are profound. If there is one thing that is certain, out of the digital regime the opportunity for more input from rural and regional Australia specifically designed for them is made very possible. It is very much the case that new technology can be used to actually allow different content to be seen in different areas, although still under the ABC badge. What do we get out of that? We get an ABC that is far more relevant than it currently is and that offers more Australians a greater sense of ownership than they currently have. What we desperately need is a national broadcaster that does offer that kind of responsive local programming at times when that local programming is wanted, so that people feel even more a part of their community. Also understand that that is the sort of role the ABC used to play before it became centralised and came straight out of Sydney. In years past, you were able to watch ABC television news on a Sunday night, and Weekend Magazine always seemed to bring out some of the really odd and interesting stories that you may not normally know about in your town or your state. All of those things have gone because they do not fit into the national dimension of the ABC, which is what it is all about these days.

The use of new technology, coupled with this very fine aspiration of Jonathan Shier’s, I believe, is going to produce a very good future for the ABC—an ABC that, because of its responsiveness to community needs,
will get out there and generate such appeal among people that it will in fact engender further funding support, which is one of the aspirations of Shier which is up for debate in this place. The bill also contains, as I said, measures to do with complaints handling mechanisms. The accountability of the ABC as it currently stands for the average Australian is in a very poor state. When the House of Representatives Standing Committee on Communications, Transport and the Arts Committee, chaired by the member for Hinkler, inquired into radio racing services in rural and regional Australia, it found that the ABC’s own established complaints mechanisms never did anything with what people put forward.

Mr Neville—It was not even referred to.

Mr HARDGRAVE—It was not even referred to, as the honourable member interjects. Complaints should have been referred to an ABC that knew something about handling complaints; that had the proper mechanisms in place; and that knew something about the need for accountability to the people and gaining their support—an ABC that was ours, not just theirs, that is, the staff. That that was not the case was very obvious to the standing committee during its inquiry into that matter. So I believe that this bill, by ensuring that complaints handling mechanisms are in place for datacasting, is a far more reasonable way to go.

It is important to note that the ABC needs to improve its act, needs to lift its game as far as dealing with the needs and expectations of Australians—and everyday Australians at that. It has a declining listener and viewer base that it has to tackle. It has to deal with those sorts of issues. New technology will provide one particular course to follow, as will the matters contained within this bill. It is no good for those opposite to come in here constantly trying to keep the ABC rooted in the past, constantly trying to ignore the fact that this new technology dealt with in this bill is far from helpful to the ABC. It strikes me that there is no doubt that those opposite have now become so complacent and so arrogant in opposition that one wonders to think what they will be like next year if they are in government. It just leaves you wondering what sort of back-to-the-future approach they would actually apply to the ABC. What are they going to do? Are they going to unwind the sorts of provisions we have within this bill? Are they in fact going to subject the ABC to this sort of centralist control that they are now trying to complain about? Are they going to turn around and ensure that the accountability mechanisms this government is attempting to introduce in this bill are taken away? Are they therefore going to subject the people of Australia to less control of their ABC, of our ABC—Madam Deputy Speaker Crosio, of your ABC? The ABC and SBS are both important national institutions that are strongly defended by action, not simply by words on this side of the chamber. I see the Minister for the Arts and the Centenary of Federation at the table. I know that he is a strong advocate for the role of the ABC. He will stand up rightly in this place to sum up this magnificent bill before us tonight. I commend it to the House.

Mr NEVILLE (Hinkler) (6.29 p.m.)—I welcome the opportunity to speak on the Broadcasting Legislation Amendment Bill 2001. As the member for Moreton has said, he and I have had a very close association with digital television from its very inception. When others thought it was just a pie in the sky concept, I remember we spent a Saturday afternoon in Sydney with all the players getting across the issues and understanding what this digital medium—indeed, datacasting—would mean for the whole industry.

The digital regime is probably the most significant quantum leap in broadcast communications since the era of black-and-white TV—some might say even since the introduction of radio. We need to ensure that we work through the development of this new medium carefully and professionally. We do not want to walk into some of the traps that our colleagues in opposition have led us into. Not least amongst this was aggregation. It
was going to promise people in regional and rural Australia a whole variety of services. In some respects it did. If, by that, you meant getting three different choices of soapie in the afternoon and another three choices of soapie at night, indeed it did offer a difference. But if you meant getting three local news services, then, with a few exceptions such as Canberra and perhaps Cairns, people did not end up with three different local news services; in most cases they ended up with the pre-aggregation station or, at the very best, two stations.

Let us look at the Broadcasting Services Act 1992 and the laissez-faire approach which was inculcated into the radio regime. There we saw, equally, a number of parlous events that are now the subject of an inquiry. I am not going to try to pre-empt the decisions of my colleagues—indeed, the member for Moreton and the member for Greenway, who spoke before him, are both members of that committee and have both made great contributions—but one thing is very clear. I am not revealing any confidential evidence when I say this, because this is available on the Net. There is a huge disengagement in regional and rural areas and a huge feeling of loss in the reduction of radio services—I am pleased to say, by and large, not by the ABC, who are the subject of the bill we are discussing tonight, but certainly by a number of commercial broadcasters.

Radio and, to a lesser extent, television are part of the fabric of a community. I find it extraordinary to think that the township of Charters Towers, with 10,000 or 12,000 people, has no local radio station. When you think of the loss of localism that went with aggregation, very few country television stations today produce any sort of local program—other than news, everything is taken online from Sydney. After 7.30 at night, other than perhaps local state based news updates at 8.30 and 9.30, you will find that just about everything—current affairs and news—comes out of Sydney.

Having seen those mistakes made with aggregation and with radio, and having seen evidence of them in both fields, it is not surprising that the government is taking a cautious approach to the Broadcasting Services Act 1992 in the bill we are discussing today. The bill transfers the provisions of the 1992 act that enable the ABC and SBS to provide datacasting services from the Broadcasting Services Act to their own governing legislation. The bill also contains a number of other minor amendments to the act. The amendments will harmonise the codes of practice and complaints handling procedures in relation to the ABC and SBS. The member for Denison, who was at the table earlier, ridiculed the comments of the member for Moreton about Triple J. The concept of Triple J is a very good one, but I think their standards at times are appalling. What is worse is that, in setting that standard for popular music, they have infiltrated the other ‘triple’ stations in the commercial field, where to be smutty—at times, dare I say, filthy—is considered smart. That we would want to dish that sort of garbage up to our young people offends me. I am no prude, but I find that offensive. I can well understand why the government would want to keep the brakes on and let them off gently in relation to datacasting, because, as I said before, it opens up a whole new field. It is a quantum leap from anything we have experienced in black-and-white or colour television.

The amendments we are discussing tonight will harmonise the codes of practice and complaints handling procedures in relation to SBS and ABC broadcasting and datacasting. These amendments will assist the development of operating codes by the ABC and SBS. They will no longer be subject to the codes of practice developed by the commercial datacasting industry that may not suit the kinds of datacasting services that the
ABC and SBS will be broadcasting. Importantly, the ABC and SBS would remain subject to the ABA—to the ABA’s licensing procedures and to the ABA’s oversight in relation to breaches of genre conditions. That is the important point. There will be a discipline at that level of genre conditions. This will ensure that they remain within the general regulatory framework for datacasting, so there will be no free kicks in that field. The amendments, however, do not require either of the national broadcasters to become a datacaster. The decision on whether to seek a licence is one that remains the responsibility of the board of each of those broadcasters. If either the ABC or SBS obtains a licence, datacasting will become an authorised business of the broadcaster.

The parliament has legislated that no new commercial television licence can be issued until 2006. This recognises the very substantial transitional costs which Australian free-to-air broadcasters face in converting to digital broadcasting. I do not think that is generally well understood. There is a school of thought in the parliament, especially on the opposition side, that says you should tear down the regulatory framework, throw all the balls in the air, just see the way they come down and let the fittest survive. I do not think that is a good way to approach this. The whole medium of digital broadcasting and datacasting is still in its relative infancy around the world. We have always been very cautious, even with the introduction of black-and-white television and colour television, and I suggest that we should, in going to digital television, which opens up a whole new field of experience for the viewer and a whole new conduit to information and entertainment in datacasting, be cautious in our approach to make sure that we do that in an orderly step-by-step manner.

In saying that, I am not totally without some scepticism, and the minister knows my views quite well on this. I would prefer with datacasting that the small commercial operators be given the opportunity to compete. I for one do not like the idea of gatekeepers. I believe that, if we genuinely want competition in this medium, we should give those who want to enter the datacasting field commercially—providing they stay within the guidelines set down by the government—the opportunity to do so without having to go through a gatekeeper. That will mean much more competition and that will mean that people will sink or swim on the quality of the datacasting they provide. However, returning to our two public broadcasters and their relationship with the digital medium, if either the ABC or SBS obtains a licence, datacasting will become an authorised business of that broadcaster.

The regulatory regime for digital television and datacasting has to be consistent with what I mentioned before, the review in 2006, and ensure that datacasters do not become de facto broadcasters. We want the industry to develop within itself and to provide unique services different from those that are currently available in the free-to-air regime. I think there is a general suspicion around that some might use this opportunity to become de facto free-to-air broadcasters. That is not my view of it. I would like to see datacasting itself developed to a high point and then the government of the day, whoever that might be in 2006, or those in the review that might take place in 2004-05 ahead of that 2006 date, assess where digital broadcasting and datacasting has been in the interim before making the decision to throw open the floodgates to new free-to-air operators.

The government considered the definition of datacasting in great detail during the reviews which were conducted in 1998 and 1999, and in the preparation of the datacasting legislation passed in parliament in June last year. The clear conclusion from this process was that the genre based approach to defining datacasting was the most effective and practical means of providing certainty both for broadcasters and potential datacasters. Datacasting is a service which delivers content in the form of text, data, speech, music, visual images and the like. These could include (1) information programs where the sole or dominant purpose is to provide information on products, services or
activities, (2) interactive home shopping, (3) banking and bill paying, (4) Internet web sites other than ones designed to carry TV programs, (5) electronic mail, (6) education services, (7) interactive games and (8) parliamentary broadcasts.

However, the government does not want datacasters to become de facto TV broadcasters. As such, datacasters will not be allowed to show programs such as drama, current affairs, sporting programs, music, reality TV, children’s programs and the like. They will, however, be allowed to transmit extracts from TV programs as long as these are no longer than 10 minutes and there will not be a facility for them to combine blocks of 10 minutes into a single program. Datacasting will open up a lot of fields, though. While they may not be able to provide the same kinds of programs that we already receive on television in the areas of news, sports news, financial markets, business information and weather, they will be able to provide 10-minute bulletins and similar types of programs within that 10-minute range.

Also datacasters will be able to provide a moving video program of any length on an individual news, financial market, business information or weather item if it meets certain requirements, such as menu selection, and it is not a hosted program. In other words, if you are watching your television, you see something on the weather, you want some more detail and you want to use the datacasting medium to get a 10-minute analysis of that particular weather program—or with the stock exchange an analysis of a particular company or its progress—those things will all be permitted. An example would be the federal budget. The headline news might be a two-minute story on the federal budget and then you might be able to be given the option to click on the menu and choose to hear the Treasurer’s full budget speech, providing it is within the confines that I spoke of before.

There has been some criticism from the opposition about what the ABC will or will not be able to do as a result of the new digital and datacasting regimes. The government takes the view that the ABC should continue as a quality alternative to the free-to-air commercial stations. All broadcasters will be allowed to use spare spectrum capacity to provide enhanced services. I would very much hope that the ABC will take this opportunity to come up with new ideas and material in areas like education, history, art and culture, health, finance, parliamentary proceedings, rural news, rural information like animal husbandry and a whole range of topics where they are well equipped to deliver those services.

An example of what the ABC could provide would be as follows. If you wanted to go to the opera or the ballet, you could watch the opera or the ballet on the main channel. If you wanted to see what the orchestra was doing or if you wanted to hear an interview with one of the stars behind the stage, all those sorts of things would be delivered on the enhancement channel. We pointed out in the earlier bill, in relation to the free-to-air stations, that this enhancement channel could be used at a time when, say, a cricket match or a football game is delayed by rain and when broadcasting that later would cut into normal programming. The remainder of the match or game—a one-day cricket match, for example—could be then viewed on the enhancement channel. It would not have to be turned off.

There is a lot of mythology about the issue, but in essence, as I said earlier, digital television and datacasting represent a quantum leap forward in broadcast communications and something well in advance of what we experienced with the advent of black-and-white television and colour television. We need to work through it in an orderly and professional manner as a government, and I am sure that this is what the minister has done. I am equally sure that the new medium will be embraced, as it will offer Australians an immense opportunity to be a well-informed nation, a well-educated nation and a well-entertained nation and to leave a whole generation of quality communications for our children and our grandchildren.
Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (6.47 p.m.)—I thank all those members who have contributed in this debate on the Broadcasting Legislation Amendment Bill 2001, especially mentioning the admirable efforts of the members for Hinkler and Moreton and their continued interest and involvement in the shaping and forming of public policy in the telecommunications and communications area. It is a very important social and economic issue for the community, and both members are diligent in putting across their points of view on behalf of their constituents while, at the same time, always interpreting the unfolding future for the constituents’ benefit.

In summing up, I would like to address a couple of the points that have been raised by opposition members. The first is the allegation that the government has inadequately funded the ABC’s move to digital broadcasting. I wish to remind the House that, in relation to the ABC’s transition to digital broadcasting, in 1999 the ABC advised the government that it could provide a range of multichannel services for ‘minimal additional costs’, based on efficiencies derived from its radio content, co-location and low-cost digital equipment. However, in its 2000-03 triennial funding submission, the ABC decided to seek funding for a range of digital content proposals, including one relating to multichannelling services, for a total estimated cost of $124 million over three years. At the risk of stating the obvious, there was a range of competing priorities in the budget context, including the digital capital, distribution and transmission funding requirements of the ABC and SBS. For this triennium, the ABC’s funding was maintained in real terms. In the 2000-01 budget, the ABC received $642 million for operating and non-digital capital expenses—a very significant amount.

The government’s priority in the last budget, however, was to ensure that all Australians have access to digital television, particularly in rural and regional Australia, where access to the media is so important. To ensure this, the government has committed itself to funding the costs of the ABC’s digital transmission. The ABC’s digital services, when fully rolled out, will match the current analog coverage. The government has therefore committed itself to up to $1.2 billion over the next 10 years to fund the digital transmission and distribution services of the ABC and SBS. This will fully fund all distribution and transmission costs.

As identified by the Mansfield report, the ABC has utilised some of the proceeds from property sales and depreciation to fund its phase 1 capital costs. It received a $20 million contribution from the government. The ABC also received almost $37 million over four years from the government in the 2000-01 budget towards its phase 2 capital costs. The government’s commitment to regional viewers echoes that shown in its funding of extensions of SBS’s analog television services at a further $70 million and in the funding of the current black-spot program addressing reception issues in regional areas. Therefore, you can conclude that, despite the budgetary pressures of recent years, the record shows that the government has made a very significant commitment to additional funding for ABC and SBS digital services. At this early stage of the delivery of digital services, the government has made access the priority rather than the provision of additional content funding.

Looking at the discussion and debate about the datacasting auction, I make the point that there is no need to suspend the datacasting spectrum auction pending debate on this bill. If the opposition amendments were passed by the parliament, it is likely that the auction process would need to be abandoned and recommenced once the policy was finalised. The nature of the product on offer would have changed; therefore, the documentation for the auction would need to be revised and republished and new applications would need to be called for. In addition, consideration would need to be given as to whether the Australian Broadcasting Authority’s proposed determination process would need to take place before the auction. It is highly unlikely that under this scenario
the auction could then be completed this financial year.

In any case, the government does not support the proposed amendments. It is only eight months since the parliament considered these issues and rejected the model being proposed by the opposition. To suspend the auction process now on the chance that the opposition amendments are passed by both houses would be to waste valuable time in getting the auction under way and getting datacasting services up and running as soon as possible. The government would never agree to the amendments in the other place. We should work to ensure the speedy consideration of this bill to provide certainty to potential applicants. I again thank members for their contribution. Whatever the quality of their contributions, at least they are showing an interest in vitally important broadcasting legislation. I commend the bill to the House.

Question put:

That the words proposed to be omitted (Mr Stephen Smith’s amendment) stand part of the question.

The House divided. [6.57 p.m.] (Mr Deputy Speaker—Mr G.B. Nehl)

<table>
<thead>
<tr>
<th>AYES</th>
<th>70</th>
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<tbody>
<tr>
<td>Noes</td>
<td>58</td>
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<td>Majority</td>
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**AYES**

Abbott, A.J.  
Anthony, L.J.  
Baird, B.G.  
Bartlett, K.J.  
Bishop, B.K.  
Brough, M.T.  
Causley, I.R.  
Costello, P.H.  
Draper, P.  
Entsch, W.G.  
Forrest, J.A.  
Gambaro, T.  
Georgiou, P.  
Hardgrave, G.D.  
Hockey, J.B.  
Jull, D.F.  
Kemp, D.A.  
Lieberman, L.S.  
Lloyd, J.E.  
May, M.A.  
McGauran, P.J.  
Nairn, G.R.  
Neville, P.C.  
Prosper, G.D.  
Reith, P.K.  
Ruddock, P.M.  
Scott, B.C.  
Slipper, P.N.  
Southcott, A.J.  
Stone, S.N.  
Thompson, C.P.  
Tuckey, C.W.  
Vale, D.S.  
Wascher, M.J.  
Wooldridge, M.R.L.  
McArthur, S *  
Moylan, J.E.  
Nelson, B.J.  
Nugent, P.E.  
Pyne, C.  
Ronaldson, M.J.C.  
Schultz, A.  
Secker, P.D.  
Somlyay, A.M.  
St Clair, S.R.  
Sullivan, K.J.M.  
Thomson, A.P.  
Vaile, M.A.J.  
Wakelin, B.H.  
Williams, D.R.  
Worth, P.M.  
NOES

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

Howard, J.W.  
Beazley, K.C.  
Fahey, J.J.  
O’Byrne, M.A.  
Pillenek, T.  

* denotes teller

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

Bill read a second time.

Consideration in Detail

Bill—by leave—taken as a whole.

Mr STEPHEN SMITH (Perth) (7.02 p.m.)—Mr Deputy Speaker, I must confess I was distracted by the splendour of your attire, and almost missed this stage of the bill. With the indulgence of the House I will outline the procedure that has been agreed between the Minister for the Arts and the Centenary of Federation and me for the smooth handling of these amendments.

Mr DEPUTY SPEAKER (Mr Nehl)—It is my understanding that you are going to first move amendment No. 1, then Nos 2 and 3, then Nos 4 to 7, and then No. 8.

Mr STEPHEN SMITH—That is right. I will outline for the convenience of the House the agreed procedure. I will move amendment No. 1, which deals with unrestricted multichannelling for ABC and SBS. When that is dealt with, I will seek leave to deal with amendments (2) and (3) together, which are the datacasting amendments. I will then seek leave to deal with amendments (4) to (7) together, which are the provisions which seek to extend the operations of the ABC Act and charter to online and datacasting provisions. I will then move amendment (8), which concerns the datacasting licence fee amendments. I will then move the second set of amendments circulating in my name which cover, on the basis of the defeat of amendment No. 1—that the ABC and SBS be provided with unrestricted multichannelling—the production by SBS of international news, which we are proposing SBS be able to do for domestic and international news. There is a difference there from the government’s amendments. I understand that the government will oppose all of our amendments.

Mr DEPUTY SPEAKER (Mr Nehl) interjecting—

Mr STEPHEN SMITH—The Chief Opposition Whip, the member for Werriwa and the member for Paterson should either put on their jackets or leave the chamber.

Mr DEPUTY SPEAKER—Mr Deputy Speaker, I raise a point of order. If you are wearing a skirt, why should we have to wear jackets?

Mr DEPUTY SPEAKER—There is no point of order. Leave the chamber or put your jackets on.

Mr STEPHEN SMITH—My understanding is that the government will oppose all the amendments moved by me, and then move its own amendment in respect of SBS producing international news, which, as I said in the second reading debate, rectifies a combination of the government’s malice towards the ABC and the Democrats’ incompetence. Given the hour of the evening, it has also been agreed that, despite the firmness of the opposition’s position on these matters and the difference in the policy position between the government and the opposition—to steal a phrase that the former member for Ryan was so good at using—the policy positions are well known—

Mr DEPUTY SPEAKER—The member for Perth has the indulgence of the House to explain, but I think it is about time he got to seeking leave. I think you need to seek leave to move your first amendment.

Mr STEPHEN SMITH—I do not know that I need leave to move amendment No. 1, but the point I was about to make is that, to conveniently the House, we are not proposing to divide, although that does not lessen the firmness of our position in these areas. I move opposition amendment No. 1:

(1) Schedule 1, after item 1C, page 3 (after line 19), insert:

1D Paragraph 5A(1)(d) of Schedule 4
  Repeal the paragraph

1E Subclauses 5A(2) and (3) of Schedule 4
  Repeal the subclauses.

This has the effect of providing for the ABC and SBS, the national public broadcasters, unrestricted multichannelling. This is a policy position which the government refused to adopt in the passage of the original digital TV legislation in June 2000. Despite the Senate agreeing to amendments to that effect, the government remains implacably
opposed to unrestricted multichannelling for the ABC and SBS. As I said in the second reading debate, if you want the ABC and SBS to get unrestricted multichannelling you obviously need to change the government, and that is what people should do if they support that policy position.

Amendment negatived.

Mr STEPHEN SMITH (Perth) (7.07 p.m.)—by leave—I move opposition amendments Nos 2 and 3:

(2) Schedule 1, item 4, page 3 (lines 24 and 25), omit the item, substitute:

4 Part 1 of Schedule 6
Repeal the Part, substitute:

PART 1
— INTRODUCTION

1 Simplified outline

The following is a simplified outline of this Schedule:

This Schedule sets up a system for regulating the provision of datacasting services. Datacasting service providers must hold datacasting licences. A datacasting service cannot be a broadcasting service. The distinction between datacasting and broadcasting services is based on the attributes of the service. The ABA will be empowered to determine additional criteria or clarify existing criteria about what constitutes a datacasting service or a broadcasting service. The ABA may give advisory opinions, on request, about whether a proposed service is a datacasting service or a broadcasting service. The ABA will be empowered to make determinations about whether particular services are datacasting services or broadcasting services. A group that represents datacasting licensees may develop codes of practice. The ABA has a reserve power to make a standard if there are no codes of practice or if a code of practice is deficient. The ABA is to investigate complaints about datacasting licensees.

2 Definitions

Classification Board means the Classification Board established by the Classification (Publications, Films and Computer Games) Act 1995.

interactive, in relation to a datacasting service, means a capacity for a user to request specific responses, make choices or engage in digital transactions or communications.

Internet carriage services has the same meaning as in Schedule 5, but does not include a service that transmits content that has been copied from the Internet, where the content is selected by the datacasting licensee concerned, unless the same content is available simultaneously on the Internet.

nominated datacaster declaration means a declaration under clause 45.

non-contemporaneous, in relation to a datacasting service, means that users of the service do not view the same content simultaneously.
	non-linear, in relation to a datacasting service, means that content is designed to be selected or accessed at irregular intervals in accordance with user-defined requests and not as a single, continuous stream of data to users.

ordinary electronic mail does not include a posting to a newsgroup.

qualified entity means:

(a) a company that:
(ii) has a share capital; or
(b) the Commonwealth, a State or a Territory; or
(c) the Australian Broadcasting Corporation; or
(d) the Special Broadcasting Service Corporation; or
(e) any other body corporate established for a public purpose by a law of the Commonwealth or of a State or Territory.

related body corporate has the same meaning as in the Corporations Law.

static graphic interface, in relation to a datacasting service, means a method of providing interactivity to a user through menu systems or
other control mechanisms common to
digital services and applications.

transmitter licence has the same
meaning as in the Radiocommu-

3 Datacasting services

For the purposes of this Schedule, a
datacasting service means a service
(other than a broadcasting service) that
delivers information (whether in the
form of data, text, speech, images or in
any other form) to persons having
equipment appropriate for receiving
that information, where the service has
the following attributes:
(a) it uses the broadcasting services
bands; and
(b) it is interactive; and
(c) it is non-contemporaneous; and
(d) it is non-linear; and
(e) it offers frequent user-defined
choices; and
(f) it makes frequent use of static
graphic interfaces; and
(g) it complies with any determinations
or clarifications under clause 4 in
relation to datacasting services.

4 ABA may determine additional criteria
or clarify existing criteria

(1) The ABA may, by notice in the Ga-
zelte:
(a) determine additional criteria to those
specified in clause 3; or
(b) clarify the criteria specified in
clause 3,
for the purpose of distinguishing
between datacasting services and
broadcasting services.

(2) The Minister may give specified direc-
tions to the ABA as to the making of
determinations and clarifications, and
the ABA must observe those directions.

(3) Determinations and clarifications under
subclause (1) are disallowable instru-
ments for the purposes of section 46A
of the Acts Interpretation Act 1901.

5 Requests to ABA for an advisory opin-
ion on whether a service is a datacasting
service or a broadcasting service

(1) A person who proposes to provide a
datacasting service may apply to the
ABA for an advisory opinion as to
whether the proposed service is a data-
casting service or a broadcasting serv-
ice.

(2) An application must be in accordance
with a form approved in writing by the
ABA, and must state the applicant’s
opinion as to whether the proposed
service is a datacasting service or a
broadcasting service.

(3) If the ABA considers that additional
information is required before an advi-
sory opinion can be given, the ABA
may, by notice in writing given to the
applicant within 14 days after receiving
the application, request the applicant to
provide that information.

(4) The ABA must, as soon as practicable
after:
(a) receiving the application; or
(b) if the ABA has requested further
information—receiving that further
information;
give the applicant, in writing, its ad-
visory opinion as to whether the pro-
posed service is a datacasting service
or a broadcasting service.

(5) If the ABA does not, within 28 days
after:
(a) receiving the application; or
(b) if the ABA has requested further
information—receiving that further
information;
the ABA is taken to have given an advisory
opinion at the end of that period that
accords with the applicant’s opinion.

(6) The ABA may charge a fee for pro-
viding an advisory opinion under this
clause.

6 Requests to ABA to determine whether
a service is a datacasting service or a
broadcasting service

(1) A person may apply to the ABA for a
determination as to whether a service is
a datacasting service or a broadcasting
service.

(2) An application must be in accordance
with a form approved in writing by the
ABA, and must state the applicant’s opinion as to whether the service is a datacasting service or a broadcasting service.

(3) If the ABA considers that additional information is required before a determination can be given, the ABA may, by notice in writing given to the applicant within 30 days after receiving the application, request the applicant to provide that information.

(4) The ABA must, as soon as practicable after:
(a) receiving the application; or
(b) if the ABA has requested further information—receiving that further information;
give the applicant, in writing, its determination as to whether the service is a datacasting service or a broadcasting service.

(5) If the ABA has given a determination under this clause to the provider of a datacasting service, neither the ABA nor any other Government agency may, while the circumstances relating to the datacasting service remain substantially the same as those advised to the ABA in relation to the application for the determination:
(a) take any action against the provider of the service for the period of 5 years commencing on the day on which the determination is given on the basis that the service is not a datacasting service; or
(b) unless the ABA has made a determination or clarification under clause 4 after that determination was given that places the service outside the definition of a datacasting service—take any action against the provider of the service after the end of that period on the basis that the service is not a datacasting service.

(6) If the ABA does not, within 45 days after:
(a) receiving the application; or
(b) if the ABA has requested further information—receiving that further information;
give the applicant, in writing, its determination as to whether the service is a datacasting service, the ABA is taken to have given a determination at the end of that period that accords with the applicant’s opinion.

(7) The ABA may charge a fee for providing a determination under this clause.

7 Matters to be considered by ABA

In making determinations under clause 4 or clause 6 in relation to datacasting services, and in giving advisory opinions under clause 5 in relation to proposed datacasting services, the ABA is to have regard to:
(a) the attributes of the service and its mode of delivery; and
(b) the dominant purpose of the service; and
(c) such other matters as the ABA thinks fit.

4A Division 1 of Part 3 of Schedule 6

Repeal the Division, substitute:

13 Primary condition—datacasting service not to be a broadcasting service

(1) Each datacasting licence is subject to the primary condition that the licensee will not transmit matter that, if it were broadcast on commercial television or radio, would be a broadcasting service.

(2) The condition set out in subclause (1) does not prevent the licensee from transmitting live matter that consists of:
(a) the proceedings of, or the proceedings of a committee of, a Parliament; or
(b) the proceedings of a court or tribunal in Australia; or
(c) the proceedings of an official inquiry or Royal Commission in Australia; or
(d) a hearing conducted by a body established for a public purpose by a law of the Commonwealth or of a State or Territory.

(3) The condition set out in subclause (1) does not prevent a datacasting licensee from transmitting matter that consists of no more than:
(a) text; or
(b) text accompanied by associated sounds; or
(c) still visual images; or
(d) still visual images accompanied by associated sounds; or
(e) any combination of matter covered by the above paragraphs; or
(f) any combination of:
   (i) matter that is covered by any of the above paragraphs (the basic matter); and
   (ii) animated images (with or without associated sounds); where:
   (iii) having regard to the substance of the animated images, it would be concluded that the animated images are ancillary or incidental to the basic matter; or
   (iv) the animated images consist of advertising or sponsorship material.

(4) The condition set out in subclause (1) does not prevent a datacasting licensee from providing an interactive computer game.

(5) The condition set out in subclause (1) does not apply to the transmission of ordinary electronic mail.

(6) In determining the meaning of the expressions television or television program, when used in a provision of this Act, subclauses (3), (4), and (5) are to be disregarded.

4B Divisions 2 and 2A of Part 3 of Schedule 6
Repeal the Divisions.

4C Paragraph 26(3)(a) of Schedule 6
Repeal the paragraph, substitute:
(a) clause 13; or

4D Paragraphs 26(3)(b) and (c) of Schedule 6
Repeal the paragraphs.

4E After paragraph 27A(1)(c) of Schedule 6
Omit “and”.

4F Paragraph 27A(1)(d) of Schedule 6
Repeal the paragraph.

3 Schedule 1, page 4 (after line 26), at the end of the Schedule, add:

7 Paragraph 52(1)(c) of Schedule 6
Repeal the paragraph, substitute:
(c) the person’s conduct breaches a condition of the licence set out in clause 13, 20B or 24.

8 Subclause 54(2) of Schedule 6
Omit “clause 14, 16, 20B or 21”, substitute “clause 13 or 20B”.

9 Subclause 54(3) of Schedule 6
Omit “clause 14, 16, 20B or 21”, substitute “clause 13 or 20B”.

10 Clause 58 (table item 2A)
Repeal the table item.

These amendments go to the provision of a general datacasting regime. These amendments mirror the amendments moved by the opposition in the Senate and the House in the course of the passage of the government’s digital TV and datacasting legislation in June 2000. They have the effect of providing a regime which would enable a new industry to thrive which is not based on a distinction between content or genre but is based on the distinction between a datacasting service and broadcasting services where datacasting services would not be able to be a de facto broadcasting service. The weakness of the government’s regime could not be better expressed than by the lack of interest currently found in the auction of datacasting spectrum.

The government has, at all steps in the process from December 1999 when it announced the detailed implementation of the digital TV and datacasting framework, remained implacably opposed to the opposition’s view that there should be a more general regime which would enable a new datacasting industry providing diversity of content to flourish and thrive. It is more in hope than in expectation that I move amendments Nos 2 and 3.

Amendments negatived.

Mr STEPHEN SMITH (Perth) (7.09 p.m.)—by leave—I move opposition amendments Nos 4 to 7:

4 Schedule 2, page 5 (after line 4), before item 1, insert:

1A Subsection 3(1) (definition of broadcasting service)
Omit “programs” (wherever occurring), substitute “content”.

Amendments negatived.
1B Subsection 3(1) (paragraph (a) of the definition of broadcasting service)
Repeal the paragraph.

1C Subsection 3(1)
Insert:
content means:
(a) a radio program; or
(b) a television program; or
(c) a transmission of data for the purposes of a datacasting service; or
(d) a publication on the Internet; or
(e) any other public transmission or publication by electronic means.

(5) Schedule 2, page 5 (after line 12), after item 2, insert:
2A Subsection 3(1) (definition of program)
Repeal the definition.

2B At the end of section 3
Add:
(3) A reference in this Act to broadcast or broadcasting includes a reference to:
(a) the transmission of data for the purposes of datacasting; and
(b) publication on the Internet; and
(c) any other public transmission or publication by electronic means.

2C Section 6
Omit “broadcasting programs” (whenever occurring), substitute “content”.

(6) Schedule 2, page 6 (after line 4), at the end of the Schedule, add:
5 Subsections 11(3) and (4)
Omit “broadcasting programs” (whenever occurring), substitute “content”.

6 Paragraphs 25(1)(da), (db) and (dc)
Omit “programs” (whenever occurring), substitute “content”.

7 Subsection 25(3)
Omit “program”, substitute “content”.

8 Sub-paragraph 25(5)(b)(i)(A)
Omit “broadcasting programs”, substitute “content”.

9 Subparagraph 25(5)(b)(ii)
Omit “program”, substitute “content”.

10 Paragraph 25(5)(e)
Omit “program”, substitute “content”.

11 At the end of subsection 27(5)
Add:
or (d) a second or subsequent digital channel; or
(e) a datacasting service; or
(f) publication on the Internet, or by other public means, of an electronic communication;

12 Sub-subparagraph 29(1)(b)(i)(A)
Omit “programs”, substitute “content”.

13 Subparagraph 29(1)(b)(ii)
Omit “program”, substitute “content”.

14 Section 29A
Omit “broadcasting facilities”, substitute “facilities”.

(7) Schedule 2, page 6 (after line 4), at the end of the Schedule, add:
15 Paragraphs 31(2)(a) and (b)
Omit “a program” (whenever occurring), substitute “content”.

16 Section 78(4)
Repeal the subsection, substitute:
(4) A direction under this section must be in writing to the Managing Director and may be sent by any means of electronic communication.

17 At the end of subsection 79A(2)
Add:
or (c) if the matter is:
(i) a transmission of data for the purposes of datacasting; or
(ii) a publication on the Internet; or
(iii) any other public transmission or publication by electronic means;

18 At the end of subsection 49B(1)
Add:
or (c) in the case of:
(i) a transmission of data for the purposes of datacasting; or
(ii) a publication on the Internet; or
(iii) any other public transmission or publication by electronic means;
by retaining a physical or electronic copy of the data transmitted or matter published.

Amendments Nos 4 to 7 have the effect of updating the ABC Act and extending the operations and protection of the ABC Act and charter to ABC activity online or by way of datacasting— in other words, to extend the same provisions of the act and charter in respect of, for example, protection against advertising that we find in the ABC’s traditional areas of operations such as radio and analog TV broadcasting. The government has been opposed to this position. I must say I was gobsmacked when the Australian Democrats, in the Senate, joined with the government to oppose the extension of the protection of the act and charter to ABC Online and digital conduct. But, then again, they colluded with the government on the GST and they colluded with the government on multichannelling restrictions on the ABC and SBS, so in the end why should I be surprised that they collude with a government that has persistently adopted a policy position of not wanting to extend the protection and provisions of the ABC Act and charter to the ABC’s online and datacasting activity? Again, with the ground being set, and the Minister for the Arts and the Centenary of Federation at the table giving his monosyllabic responses—and I understand he may well be distracted by other matters, which I will not go into at this point in the cycle—

Mr DEPUTY SPEAKER (Mr Nehl)—The chair is pleased that you are doing that.

Mr McGauran—Feel free tomorrow.

Mr DEPUTY SPEAKER—No, don’t feel free at all; just carry on.

Mr STEPHEN SMITH—I will feel free tomorrow.

Amendments negatived.

Mr STEPHEN SMITH (Perth) (7.12 p.m.)—by leave—I move further opposition amendments Nos 1 and 2:

1F At the end of subparagraph 5A(2)(o)(i) of Schedule 4

Add: “or the Special Broadcasting Service Corporation”.

(2) Schedule 1, after item 1C, page 3 (after line 19) insert:

1G Subparagraph 5A(2)(o)(ii) of Schedule 4

Repeal the subparagraph, substitute:

(ii) deals with domestic or international news (including analysis of items of domestic or international news);
The effect of the opposition’s amendments would be that the Special Broadcasting Service would be able by way of multichannelling to deal with domestic or international news including analysis of items of domestic or international news. This was a position supported by the Democrats in the Senate, but then after their collusion with the government—the government activated by malice towards the ABC and the Democrats motivated by incompetence—the provision of extending the list of areas where the SBS would be able to multichannel to international news was omitted when the incompetent collusion of the government and the Democrats saw that matter dropped from the bill when the bill was split. Now they have to remedy the matter here and then go back to the Senate and do it again. I will leave that debate in the capable hands of Senator Bishop, my representative in that place.

The substantive difference between the amendments that I have moved and the amendment circulated on behalf of the government in the name of the minister is that we propose—given that we have a public policy position that the ABC and SBS should be unrestricted in multichannelling—to include the provision of domestic news as well as international news. That is not the policy position of the government. Accordingly, I am advised by the minister that the government will oppose our amendments and then move its own amendment to reinstitute that provision in respect of SBS multichannelling and the international news area, which has subsequently been omitted through their splitting of the legislation.

I will conclude my remarks by simply saying that, whilst the minister and I have agreed a very efficient method of processing these amendments through the House, my agreement not to call divisions on the matters on which we feel strongly, such as the ABC and SBS unrestricted multichannelling and datacasting, does not lessen in any way the firmness of our views. As I said earlier, if you want these things to be fixed, you will need to change the government.

Amendments negatived.

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (7.15 p.m.)—I present a supplementary memorandum to the bill. I move government amendment No. 1:

(1) Schedule 1, page 3 (after line 19), after item 1C, insert:

| 1 At the end of subparagraph 5A(2)(o)(i) of Schedule 4 |
| Add “or the Special Broadcasting Service Corporation” |

I simply say, as the debate draws to a conclusion, that for the convenience of the House I agreed with the shadow minister to proceed through a number of those amendments at a rather rapid pace, given the extensive and detailed debate that has already occurred in the Senate on each and every one of these points. Senator Alston, the Minister for Communications, Information Technology and the Arts, has in an extremely competent fashion detailed the government’s views on the various amendments and the reasons why we have rejected opposition grandstanding and defended the government’s record of generous support for the ABC and SBS, as well as our ushering in of the digital age in a very competent way so that Australians far and wide can engage in it. I commend the amendment to the House.

Amendment agreed to.

Bill, as amended, agreed to.

Third Reading

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

APPROPRIATION BILL (No. 3) 2000-2001

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 Mr McGauran)—by leave—read a third time.

APPROPRIATION BILL (No. 4) 2000-2001
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 Mr McGauran)—by leave—read a third time.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001
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 Mr McGauran)—by leave—read a third time.

REMUNERATION TRIBUNAL AMENDMENT 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 Mr McGauran)—by leave—read a third time.

ENVIRONMENT AND HERITAGE 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.

THERAPEUTIC GOODS AMENDMENT BILL (No. 4) 2000
Consideration resumed from 5 March.

Second Reading
Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation)
(7.22 p.m.)—I move:
That the bill be now read a second time.

The provisions in this bill are necessary to allow the introduction of a redeveloped and refined system for electronically listing medicines on the Australian Register of Therapeutic Goods.

The new system will bring benefits to consumers. It provides a strong basis for consumer confidence in the safety and quality of listable medicines, whilst facilitating market access by industry. It will also provide consumers with quicker access to the latest advances in complementary medicines and maximise consumer choice.

Under the changes introduced by the bill, providers of listable medicines will have greater responsibilities and accountability in relation to the certification of the medicines they wish to list on the register and the Therapeutic Goods Administration will significantly enhance post-market monitoring, testing and surveillance in relation to these products.

It should be noted that listable, or listed, medicines are considered to be of low risk based on their ingredients and therapeutic indications and claims. Most complementary medicines, such as herbal, vitamin and mineral products, fall into this category.

Some over-the-counter medicines and sunscreens also fall into this category.

These low risk products will be entered on the new electronic lodgement facility (ELF). This system will apply the same rules that are currently being applied through desk-
based assessment but will be applied electronically, based on programming relating to the regulations and other legislation.

Any data entered that does not fall into the parameters required will result in the rejection of an application.

The criteria for quality, safety and efficacy that currently apply to listed medicines will continue to apply under the new listing arrangements.

It is important that any streamlining of market access for a medicine through the ELF system is balanced with a strengthened and systematic post-market monitoring system.

The provisions in this bill help to strengthen the post-market system for listed medicines. The powers of the Therapeutic Goods Administration to require information and samples will be enhanced and sanctions strengthened. Penalty provisions for providing false information or data on a product will be significantly enhanced.

Furthermore, the implementation of this new listing system will enable significantly more resources within the TGA to be applied to the post-market monitoring of these products.

This bill is an important advance in the regulation of complementary and other listed medicines. It will deliver benefits to both consumers and industry in streamlining market access for new low risk medicines. At the same time consumer confidence is enhanced by the continued application of the existing requirements in relation to quality, safety and efficacy with a strengthened post-market monitoring system.

I will seek leave to table the explanatory memorandum before the adjournment. I commend the bill to the House.

Mr Griffin (Bruce) (7.26 p.m.)—The Therapeutic Goods Amendment Bill (No. 4) amends the simplified listing process for low risk medicines to provide for complete self-assessment by the company seeking to list the medicine. This change is part of an ongoing move to introduce a system for electronically listing medicines on the Australian Register of Therapeutic Goods.

It is no secret that Labor is opposing this bill. Senator Forshaw has already made this clear in the Senate. In fact, we made it abundantly clear to the government and the Democrats when it was originally listed for debate in the first sitting week this year. The reasons for Labor’s opposition are simple: this bill represents a further weakening in the listing process for medicines; it seeks to maintain consumer protection by moving from pre-market scrutiny to post-market monitoring, which we know from examples such as nursing homes and GM field trials is a joke; and, it continues to undermine public confidence in our regulatory systems at a time when European governments are battling a crisis in confidence due to weaknesses in their regulatory systems.

On the basis of these points and the recent outrageous government attempts to influence the independence of the Pharmaceutical Benefits Advisory Committee and the Australia New Zealand Food Authority Board, I intend to move the following amendment to the motion for the second reading:

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

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

(1) the systematic weakening of Australia’s processes for the listing of prescription and low risk medicines including recent changes to the Pharmaceutical Benefits Advisory Committee and proposed changes to the Therapeutic Goods Act 1989; and

(2) compromising the independence of the Pharmaceutical Benefits Advisory Committee and the Board of the Australia New Zealand Food Authority”.

Let me now deal with this motion—firstly, the systematic weakening of listing processes for low risk and prescription pharmaceuticals. The process of deregulation of dealings with low risk medicines started about three years ago. As my colleague Jenny Macklin told the Complementary Health Care Conference just last week, Labor is well aware of the popular support for and use of these sorts
of products by the Australian public. Our own policy document acknowledges this and Labor has committed to work to establish appropriate registration and accreditation for practitioners and their products. This will ensure that the beneficial work of practitioners in these areas is recognised and importantly will mean that consumers are well informed and protected from physical or mental harm or financial exploitation.

Labor has largely supported the government’s changes to the way in which medicines such as complementary medicines are regulated, reflecting the lower risk of these products. However, the support stops here. Low risk does not mean no risk, and Labor strongly believes that improved access to complementary and low risk medicines must be balanced against the need to ensure the health and safety of Australians is protected. You see, Labor knows that these low risk medicines are just that—medicines many of which have been shown in clinical trials to effectively relieve and in some cases treat illnesses and diseases. This means that many of these products do have physiological effects and as such require a level of regulation to make sure they are safe and that they are used safely. I find it interesting when I read bills such as this from the government which acknowledge these low risk medicines and their value to the health of Australians.

I seek leave to continue my remarks.

Leave granted.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (7.29 p.m.)—I seek leave to now table the explanatory memorandum to accompany my second reading speech.

Leave granted.

ADJOURNMENT

Mr SPEAKER—Order! It being 7.30 p.m., I propose the question:

That the House do now adjourn.

Family Court: Dandenong Registry

Mr BYRNE (Holt) (7.30 p.m.)—I rise to speak of the deliberate destruction by the Attorney-General of this country of one of the key services that he is responsible for in my region, that being the Family Court of Australia. In particular, I refer to his destruction by stealth of the Family Court of Dandenong, a much used and needed institution in my electorate and in my region. The Attorney-General has commenced the Trojan horse act of the removal of defended hearings from the Dandenong Registry of the Family Court of Australia. It is a decision, I believe, he pressured the Chief Justice of the Family Court of Victoria to undertake as a consequence of his massive funding cuts of $15.4 million to the Family Court nationally. The closure of the first portion of the services this Family Court delivers, defended hearings, was undertaken without consultation and is effectively the first step in a process of the removal by stealth of the entire service the Dandenong Family Court provides to the Holt electorate and indeed the entire region.

The Dandenong registry was opened by the federal Attorney-General, Senator Gareth Evans, on 20 September 1984. At the time, articles in the Law Institute Journal and the newspapers welcomed the registry as a means of easing the burden on the Melbourne registry of the Family Court. One of the main purposes for the establishment of the Dandenong registry was to provide easily accessible facilities for people involved in family law disputes. It basically has a catchment area of some 1.2 million people. Over the years the Dandenong registry has served countless electors of my region by providing counselling, legal advice, and mediation and interim hearings and, where necessary, by hearing defended matters. The Dandenong registry is described as one of the busiest in the state. Its closure for renovations, which was announced in mid-2000, has since been shelved, but the future of the Dandenong registry remains highly uncertain.

In February 2000 a number of Dandenong law firms wrote to the Judge Administrator of the Family Court of Australia, Justice Frederico, to express their concern about the potential removal of defended hearings. They were assured that any such decision would be preceded by consultation. This consultation did not occur. What did occur
was a meeting between representatives from the Dandenong law firms and the Chief Justice of the Family Court, Alastair Nicholson, in August 2000. I have been informed by a number of the lawyers who attended this meeting that Justice Nicholson indicated the decision had been made to remove defended hearings and that this decision was simply not negotiable.

What kind of consultation is this? These lawyers, like me, still oppose the removal of defended hearings for a number of reasons, which I will outline. Firstly, it is maintained that no client of the Dandenong registry will be disadvantaged by the removal of defended hearings because they represented only eight per cent of the total proceedings in 1999-2000. These figures do not portray the reality of the situation. The eight per cent represents only the 405 matters which were actually listed at Dandenong. Dandenong matters which were anticipated to take longer than four days were transferred without being listed. The actual figure of defended hearings stemming from Dandenong is therefore actually much higher.

Secondly, it is claimed that moving defended hearings to the Melbourne registry will reduce delays at the Dandenong registry. I find this impossible to believe. The Dandenong registry is already far more efficient than Melbourne. A comparison of the waiting times for Dandenong and Melbourne revealed that the period between an Order 24 conference and a pre-trial hearing in the Dandenong registry is four to six weeks whereas in the Melbourne registry it is six months. It is just not plausible to suggest that increasing the caseload of the already clogged Melbourne registry, while moving defended hearings from the comparable, efficient Dandenong registry, would not disadvantage the clients at Dandenong.

Thirdly, there are logistical issues such as travelling time to consider. In one case a Dandenong lawyer conveyed to me that her client, who lives in Cranbourne, had her matter listed in Bairnsdale. The parties and witnesses had to pay for travelling time and accommodation for the duration of the hearing. Despite what the government says, the federal magistracy will not be able to resolve the increases in delays in travelling time faced by the Dandenong registry clients. The federal magistracy will only roll into town for about 19 weeks in 2001. What are people meant to do for the other 33 weeks? The federal magistracy also does not have the same jurisdiction to hear family law matters as the Dandenong registry.

However, a far more pernicious event is about to occur. The Family Court at Dandenong, in order to function, relies upon the services of two key positions: a judicial registrar and an SES registrar. The judicial registrar, in particular, can hear procedural and interim matters. There were, according to the statistics provided by the Chief Justice of the Family Court, some 4,647 hearings, other than defended hearings, in the Dandenong Family Court from 5 July 1999 to 20 July 2000. There were in that period of time an additional 405 defended matters listed for hearing in Dandenong. It has been asserted to me by a group of family law practitioners in my region that these matters could not have been heard or dealt with without a judicial registrar or an SES registrar. It will come as no surprise that effectively there will be a removal of those two key positions within the next couple of months—one person will be retired and the other will be reallocated to the already stretched Melbourne Family Court. This is an atrocious state of affairs. For those people who are used to accessing this particular service it is going to be removed from them by an act of stealth by the very person who is supposed to be responsible for the delivery of the services in this region. This is an atrocious act that should not have been allowed to occur. (Time expired)

Partners of Veterans Association of NSW

Mr LLOYD (Robertson) (7.35 p.m.)—Tonight I rise to highlight the great work of a new association in New South Wales, the Partners of Veterans Association of New South Wales, which was formed in August 1999 at Myall Lakes on the North Coast of New South Wales. This gathering consisted
of 29 partners of veterans from Sydney, the Central Coast, Wauchope, Maitland and Tamworth. My briefing notes say that there were approximately 150 people and 15 support groups around New South Wales involved. I know that the group has continued to grow and I believe there are now something like 26 support groups and over 200 members from all around New South Wales. The patron of the association, they are very proud to say, is Mrs Lynne Cosgrove, wife of Lieutenant General Peter Cosgrove.

The formation of the association came about when a common link was found when veterans’ partners were talking about their experiences and the difficulties they have in their home life in dealing with their partners. This group is not trying to replace the War Widows Guild or other associations like that, and they are not just looking after Vietnam veterans and their partners. They are really looking after all the partners of veterans from whatever age, whether it be from World War II or some of the other conflicts—Korea, Vietnam, right through to East Timor—

Mr Slipper—Malaya.

Mr LLOYD—and Malaya, and any other conflicts that we may be involved in in the future. So it is looking at not just the needs of those partners but also the needs of their children as well.

I was very pleased to be able to assist the members of the executive of the Partners of Veterans Association of New South Wales in their visits today and yesterday in Canberra. They had a very constructive meeting yesterday with the Minister for Veterans’ Affairs, the Hon. Bruce Scott, and were able to raise a number of issues and concerns with the minister. Today they met with the government veterans’ affairs backbench committee and were again able to raise issues of concern and to highlight what they are doing.

I am very pleased that the federal government was able to support the establishment of this association with a grant of $10,500 under the Department of Veterans’ Affairs community support stream. The grant will enable them to run an awareness campaign and have education officers in the field to let people know about the work of this association. As I said, they are a very young association, having been formed only some 18 months ago. They are enthusiastic and dedicated to looking after the needs of the partners of veterans.

It is interesting that there have been a number of very detailed studies into the needs of veterans and into veterans’ health. One of the ladies—I think it may have been President Robyn Creswell—made an interesting comment today. She said that, when these surveys are done with veterans, the forms come out and the questions are always asked of the veterans and the veterans relay their concerns, their experiences and their health problems. Often there might be a question in there—to put it in the terms they used today—’Well, how’s the wife?’ and the veteran will turn around and say, ‘The wife’s fine. She’s okay. She’s doing well.’ The partners do not get an opportunity to answer. I use the term ‘wife’ because, in the majority of cases, the partners of veterans are females, but obviously—in this modern world where there are many women in the forces—this association also deals with the male partners of veterans.

This association gives the partners an opportunity to relate to each other and express their concerns and problems as partners dealing with the veterans who may be experiencing problems. The association is very keen to have an investigation into the needs and health concerns of the partners of veterans and the stress that they are placed under in their common role as carer of somebody who is disabled or is suffering from stress or other concerns caused by their service. I wish them well. I know that they will be a great association, will represent the partners of veterans very well and will become a very strong, viable organisation. (Time expired)

Centrelink: Breaching

Mr JENKINS (Scullin) (7.40 p.m.)—Yesterday, during question time, the Minister for Community Services took great delight in pontificating to the opposition about the wonders of the Howard government’s breaching regime as opposed to the system
that had existed before. In one of the minister’s more memorable quotes, he stated, ‘We want fairness.’ If anyone who has had the misfortune to be on benefits during the life of this government was listening to question time yesterday, they must have choked on hearing those words. To give an example of this ‘fairness’ from the Howard government, yesterday the minister said:

We are also very cognisant that, if people are homeless, if they have a drug dependency or if they have a mental illness, of course they are exempt from this breaching regime.

That has not been the experience of my electorate office. Two weeks ago a constituent who had been breached by Centrelink came to my electorate office. He had failed to comply with his mutual obligation requirements, and Centrelink had acted accordingly. This constituent has a drug dependency problem and Centrelink officers were aware of this. I do not mention this in any way as a criticism of Centrelink staff. While the staff at Centrelink did breach this constituent, they referred him to an appropriate agency to begin to have his problem managed. Centrelink staff do a fine job in a completely underresourced agency under a heartless and uncaring regime imposed on them by the Howard government. That is intended fully as a criticism of the Howard government and of the Minister for Community Services.

Despite the minister’s claim yesterday that people with drug dependency are not breached, my constituent was informed that he would not be receiving benefits for a period of some six weeks. His only other options were to rely on local charities during this time or to steal, which he said he did not want to do. Subsequently, my office was able to arrange for him to have a further appointment at Centrelink with a social worker to discuss other options for him during the breaching period. He was hoping that his rehabilitation place would come through so he at least could begin treatment and have somewhere to stay. This period of breaching for him meant that he was in danger of losing his home, as he was unable to contribute to the rent.

So, when the Minister for Community Services gets up in this place and starts lecturing the opposition about fairness, he needs to realise that members on this side of the chamber—and I am sure members opposite—can also get up here and give him countless examples of this so-called ‘fairness’ of life under the Howard government. When the Minister for Community Services says that people who are homeless or drug dependent are not breached by Centrelink, he needs to know that his words can come back to haunt him, because members on this side know that homeless people, drug dependent people and people with mental illness are breached by Centrelink. Regrettably, we regularly see examples such as that of my constituent. The Minister for Community Services has to understand that, when he spouts the rhetoric on behalf of the government, for every one of these breaching incidents there is a real person behind it.

The opposition is not here defending people who would defraud the social security system by trying to do things at Centrelink or with their case managers on the basis of incorrect benefit. But the minister has to understand that there are genuine circumstances that people find themselves in that, regrettably, lead to breaching. The Minister for Community Services would be better suited to getting a fuller understanding of what it is that he is actually administering. Then he would be better at understanding that the honourable member for Grayndler, in undertaking his duties as the opposition parliamentary secretary to the shadow minister, is going around Australia and gaining an understanding of what is happening. The minister should learn from the experiences that the opposition is giving to him and should make sure that in his administration he does achieve fairness.

(Time expired)

Health: MRI Scanner, Prince Charles Hospital

Ms GAMBARO (Petrie) (7.45 p.m.)—Tonight I rise in support of Prince Charles Hospital’s ongoing request for a magnetic resonance imaging unit. MRI is non-invasive and uses magnetism, rather than ionising radiation such as X-rays, to take images in a
tion such as X-rays, to take images in a number of planes. The unit works by taking pictures as if the human body was being sliced in a number of directions. To date, no harmful biological effects have been documented with MRI. Prince Charles Hospital is located in West Chermside and is one of Brisbane’s leading cardiac respiratory hospitals. It services the northern suburbs and treats patients from across Brisbane throughout Queensland and northern New South Wales. It is the major cardiac centre for Queensland and a public tertiary referral centre for respiratory procedures. Most importantly, it is the only paediatric cardiac unit in Queensland and services all of Queensland and northern New South Wales regions as well. Unfortunately, despite all of these credentials, the Prince Charles Hospital is without an MRI unit.

Last year the Blandford committee report into a national review of MRI services recommended that up to seven additional units were required within the next year to ensure access to MRI services—that was back in March 2000; that units should be located in areas that are comparatively underserviced; and that a tendering process should be used to determine these locations. This would ensure that publicly funded MRI services continue to be located in areas of need and that hospitals and private practices that meet the criteria have an opportunity to submit tenders for eligibility status.

The eligibility status went into a number of areas. One of them was that the population base serviced by the MRI should be greater than 150,000 and that this population base was not currently serviced by an MRI unit. Currently, the Prince Charles Hospital services a clientele from all over Queensland and northern New South Wales—far greater than that 150,000 eligibility criteria. Another criterion was that the MRI unit must be located within a comprehensive medical imaging facility. Prince Charles Hospital fits that criterion. It is the major cardiac centre for Queensland and a public tertiary reference centre for respiratory procedures and the only paediatric cardiac unit in the area.

Another criterion was that MRIs must also be located within a base of appropriate referral in areas such as specialist services. Again, Prince Charles Hospital fits the bill. It has a string of specialist services, including cardiac, respiratory, orthopaedics and geriatrics. As mentioned, the hospital is the major centre for cardiac and respiratory services and is also considered a leading hospital in the Southern Hemisphere. Currently, patients of Prince Charles Hospital who require an MRI scan must go elsewhere. The situation becomes quite ridiculous when the only way that patients can have an MRI scan is to travel in a taxi with a full-time member of the nursing staff all the way to Royal Brisbane Hospital. This is so disheartening.

In the city of Brisbane there are currently four MRI machines, two at public hospitals. All are located in the inner city radius with two on the south side, one in the west and one on the north. Prince Charles Hospital is located in the northern corridor, approximately eight kilometres from Brisbane City and around seven kilometres from the Royal Brisbane Hospital. On paper, it may seem unnecessary to have an additional unit located in the Brisbane region but, according to Dr Richard Slaughter, Deputy Director of the Department of Medical Imaging at Prince Charles Hospital, the demand for an MRI unit at the hospital would be in the range of 20 scans a day. This demand is based on the expansive population of Queensland and northern New South Wales. According to the Blandford report, a unit operating for eight hours a day would complete a total of 12 scans. The demand at the Prince Charles Hospital would ensure that an MRI unit would certainly meet and even exceed its required quota. Last year I wrote to the state Minister for Health, Wendy Edmond. In her reply in June 2000 the minister stated that there were no funds available under the capital works project for a cardiac MRI service at Prince Charles Hospital.

An exceptional hospital is exactly what Prince Charles Hospital is. It meets all of the eligibility of the Blandford committee for an MRI unit and I ask that the hospital be ser-
Electoral Matters: Ashfield Council

Mr ALBANESE (Grayndler) (7.50 p.m.)—I am here tonight to talk about a woman who was so determined to serve on Ashfield Council that she was prepared to rort the electoral roll to do it. In 1999, a woman called Karin Cheung ran as a Voice of the People party candidate in the state elections. This party was set up by Dr Spencer Wu, who was then a councillor on Ashfield Council—a former Liberal Party member who set up that party. Although Ms Cheung failed to get elected, she delivered her preferences to the Liberal Party at the election. Despite her failed bid, Ms Cheung had obviously been bitten by the electoral bug. She decided that she wanted to run for Ashfield Council as a preselected candidate for the Liberal Party. The problem was that she lived in Hurstville and, under section 306(2) of the New South Wales Local Government Act, to be duly nominated for election as a councillor for an area by the electors of an area, a person must be enrolled as an elector for the area and must be qualified to hold that civic office at the closing date for the election.

Ms Cheung had a number of things she had to rectify. She firstly had to become a member of the Liberal Party and she had to become registered to vote in Ashfield. Luckily for her, Julie Passas, a member of the Liberal Party and a councillor on Ashfield Council, was prepared to nominate her. But where was Ms Cheung supposed to live? Again, as luck would have it, Julie Passas had a sister who lived at 14 Brunswick Parade, Ashfield. So on Friday, 30 April 1999 Karin Cheung enrolled at 14 Brunswick Parade, Ashfield. On her application form for Liberal Party membership Ms Cheung gave her home telephone number in Hurstville. Her address was listed as Ashfield. This same telephone number is registered in the name of Ms Cheung’s partner, Mr P. Lechowski, and became the phone number at Ms Cheung’s second Hurstville address. Before 30 April, Ms Cheung was enrolled at 3/10 Woids Avenue, Hurstville.

On 20 May, Ms Cheung purchased a property in Hurstville with the street address 10/34-40 Carrington Avenue, Hurstville. The contact number was shifted to this address. Prior to the election, all documents sent to Ms Cheung by organisations other than the Electoral Commission were sent to her Hurstville address. The contact number was her Hurstville number and her mobile. At no stage during 1999 did Ms Cheung lodge any change of address of mail direction with Australia Post. Ms Cheung’s mobile telephone bills were only changed to the address in Ashfield on 23 August 1999. Before that, bills had been sent to addresses in Hurstville. The record of phone calls indicates that in the period up to November 1999 the vast majority of calls made by Ms Cheung from her mobile phone were in the evening, and the first cell site involved was located in Hurstville rather than Ashfield.

The evidence against Ms Cheung comes from subpoenaed material, legally obtained for the Administrative Review Tribunal. In particular, I want to refer tonight to the statement of Mr Paul Moroney. Paul Moroney says:

I was the endorsed Liberal Councillor representing North Ward on Ashfield Municipal Council for three terms, a total of twelve years, ending September 1999.

... ... ...

As I was secretary of the Ashfield Branch of the Liberal Party, I received the nomination forms for the pending Ashfield Municipal Council election. I was surprised to see Karin Cheung as a nominee as I was not aware she had joined the Liberal Party. I was also surprised as I knew that she did not live within the electorate. ... As branch secretary I made it my business to inquire as to whether or not each nominee met the requirement to live within the electorate. On several occasions, both before and after 12 May 1999, I specifically asked Karin Cheung whether or not she lived in the area. On each occasion she replied that she did not.

We do not rely on ALP information here. This is information not leaked, but flooded in from the Liberal Party members who were
concerned at the failure of the Liberal Party machine to take action against Julie Passas and her supporters in the area who had been prepared to undermine the sitting Liberal councillor there, Mr Morris Mansour. The other documents provided that I have here with me tonight include documentation from the Ethnic Communities Council, from Australian Gas Light, from Energy Australia, from the Electoral Commission, from the Inner West Migrant Resource Centre, from Ashfield Council, from Telstra, from the West Region Chinese Association, from Centrelink and, of course, from the Liberal Party of Australia. All of these documents add up to the fact that this is a huge rort.

The provisions in the New South Wales Local Government Act about residency are not designed to be taken lightly. There are very ethical reasons why councillors should live in the area they represent, and as the local federal member I take these provisions seriously. There are even more serious issues about why they should not rort the electoral roll if they do not live in the appropriate local government area. I think that it is up to the Liberal Party to clean up its act on this issue.

(Time expired)

Bank Charges

Mobile Phones: Vodafone

Centrelink: Benefits

Mr RONALDSON (Ballarat) (7.55 p.m.)—I am pleased to have a full audience here tonight to hear the matters I am about to raise. I will not mention the name of my constituent, suffice to say that he operates a newsagency and lotto agency in my electorate and lives outside the major areas. He sent me a letter the other day about another imposition from one of the big four banks. It is called a ‘cash handling fee for businesses’. Those businesses that deposit more than $3,000 cash with the Commonwealth Bank are going to be charged a rate of 0.25 per cent on the amount of cash over the $3,000 threshold.

Mr Slipper—Why?

Mr RONALDSON—Good question. The issue here is that my constituent, with the nature of his business, has no choice but to deposit cash. It is not a matter of choice; the nature of his business dictates that he deposits cash. He gave me a rundown of his current monthly bank charges—it is quite horrific. I will go through the monthly figures: a loan service fee of about $55, an overdraft line fee of about $84, a CBA merchant fee of about $95.10—

Mr Slipper—Which bank?

Mr RONALDSON—The Commonwealth Bank. There is a CBA POS fee, I think it is, of $188.30; CBA Quick Line—one of the recommendations to my constituent was to use things like Quick Line, which he is using but there is always a fee attached, and it is not helping him—$8.25; an account service fee of $127.50; and an overdraft fee of $120. The grand total is $678.15 per month for a small business operator. Quite frankly, I am not surprised that the banks have come in for the shellacking they have received over the last two years. It is just grab, grab, grab by the banks with no thought for a small country business which operates in cash. They are forcing this gentleman and his wife to pay further fees.

That is the bad news. The better news is that Vodafone have just been awarded a Commonwealth tender for $25 million called ‘Mobiles on highways’ initiative. My press release states:

They will provide continuous mobile phone coverage using GSM technology along 9,425 kilometres on 11 of Australia’s major highways, including the Western Highway in my electorate. A mobile service along the highways is good news.

Before I finish tonight, I cannot let the comments of the member for Scullin—an absolutely honourable gentleman; I am the first to admit that—

Mr Slipper—He was wrong tonight.

Mr RONALDSON—He was wrong on the comments he made about Centrelink and people being removed from benefits. The great irony about this is that, under the Labor Party, it was one strike and you are out. When the coalition came into government,
we changed the legislation, which was supported by the Labor Party. The two main reasons for someone losing a benefit are: (1) failing to declare income; and (2) failing to attend interviews. This is not an unfair system. It is far fairer than the Labor system. I am disappointed that my friend and colleague the honourable member for Scullin has not acknowledged that.

Mr Speaker—Order! It being 8 p.m., the debate is interrupted.

House adjourned at 8.00 p.m.

NOTICES

The following notices were given:

Mr Kerr to present a bill for an act to provide for a civil forfeiture scheme for the proceeds of criminal activity and for other related purposes.

Ms Kernot to move:

That the standing orders be amended by amending standing order 64 to read as follows:

Personal explanation

64 By leave of the Chair, a Member may explain matters of a personal nature, although there is no question before the House, but such matters may not be debated. Any contradiction of a statement made in a personal explanation can be effected only by means of a substantive motion.

Ms Kernot to move:

That, in the view of this House, the Speaker should rule out of order any statement made by a Member which has been the subject of explicit denial on a question of fact by another Member in a personal explanation.

Mr Price to move:

That the standing orders be amended by amending standing order 64 to read as follows:

Personal explanation

64 By leave of the Chair, a Member may explain matters of a personal nature, although there is no question before the House, but such matters may not be debated. Repetition of a statement, by a Member, that gave rise to the personal explanation shall be considered to be disorderly.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Aviation: Bankstown Airport

Mr HATTON (Blaxland) (9.40 a.m.)—Again, I am going to speak about the issue of aircraft noise and its effect on the city of Bankstown. In particular, I want to look at the decision making process that the cabinet went through and its immediate effect. In the middle of December last year this coalition cabinet determined that Bankstown should effectively become the second airport for Sydney—not just a general aviation airport but, on top of that, a regional aviation airport and, on top of that, a domestic jet airport and, on top of that, a domestic international airport. This is the stupidest government decision that I have heard of in the history of this Commonwealth—all 100 years of it.

This was a political decision made on the basis of two key things. One, they thought they would lose seats in western Sydney. Two, they were concerned about seats in regional Australia, such as those running up the middle of the coast, those on the North Coast and those in other places in regional Australia. They were concerned to make sure that regional Australians would still run into Kingsford Smith Airport. We ended up with a decision that will please no-one in the end, because of its impracticality.

You cannot just lock up regional access to Kingsford Smith on the basis of the argument that Kingsford Smith ran terrifically during the Olympic Games. The reality was that Kingsford Smith ran fairly normally during the games. It is completely untrue to use the way it ran then and say that you do not have to do anything at all at KSA for the next 10 years or so. I was on the Public Works Committee that was forced into a position where more than $1 billion had to be spent on the expansion of Kingsford Smith just to take it up to 2003. We are almost there. So the expansion of KSA until 2003 is present, and there are enormous pressures for further expansion, extension and consolidation of that.

Instead of making a real decision on the basis of a $14 million environmental impact statement—which was complete, full and fair, for once—the bodgie decision that was made was, ‘Let’s make a second international airport at Bankstown. There are only half a million people around it. They all vote Labor—that is their crime. Since Blaxland was there as a seat since 1949 they have voted Labor. Prior to that, from 1901 on when the seats were given other names, they voted Labor. Let’s make this an international jet airport.’ It was a crazy, stupid, dumb, awful, silly decision driven by a political agenda that is unsustainable in the long term. Everybody in regional Australia knows it and we certainly know it in Bankstown. (Time expired)

North Queensland: Townsville Based Medical School

Mr LINDSAY (Herbert) (9.43 a.m.)—Governments make many different decisions every day, but only rarely are there identifiable landmark decisions. The establishment of the Townsville based medical school for North Queensland has been one of those landmark decisions. It is hard to think of another decision that has had more lasting and positive impact for North Queensland, Townsville, Thuringowa and James Cook University. Those twin cities now can become the hub of health in North Queensland and, indeed, Northern Australia. It is a 21st century approach to the delivery of health care services, building on a terrific infrastructure that we already have in creating a health city precinct right in the middle of Townsville and Thuringowa.

I can see the establishment now of specialist rooms, pathology, radiography, physiotherapy, accommodation, shopping and other services. I can also see the establishment of an institute
of rural and indigenous health. This, without a shadow of doubt, is an area that needs attention in the practice of medicine in Australia. The possibilities go on. The medical school and the new hospital have potential to trigger an allied health approach, which is just marvellous. There is also the possibility of capturing high end growth. Indeed, I see particular opportunities now in terms of this partnership approach for physiotherapy and radiography, given that there is a huge demand for these services in North Queensland.

This presents a challenge to James Cook University and to the state government. With the federal government providing an additional 21,000 funded student places through the innovation package, I challenge the university to take up the recurrent funding available and apply it to allied health teaching. For its part, the state government has to seize this opportunity as well and provide capital funding for a new building to provide a home for the extra students. The state government can take a leading role in establishing a health city in our region.

The recent opening of the medical school is cause for great celebration. Many people can rightly claim credit, but the way ahead is not to look to the past but to build on what we have now, with James Cook University and the general hospital becoming the hub of health in North Queensland. I congratulate Professor Bernard Moulden, Professor Ian Wronski, Professor Richard Hayes and Professor Bob Porter. Their contribution has been outstanding. I congratulate each of them and their team, and I ask them to focus now on the way ahead and to build a hub of health in North Queensland.

Telstra: Services

Ms HALL (Shortland) (9.46 a.m.)—This government is out of touch with the Australian people, and so is Telstra. Telstra and the government tend to believe that the main issue facing Australia in relation to telecommunications is pushing through the privatisation of Telstra rather than looking at the service that is provided to the Australian people. I am sure all members have had the experience of approaching Telstra with their constituents’ problems and finding a lack of receptiveness and willingness within that organisation to solve the problems, deal with the issues and service their customers.

Mr Lindsay—That is a reason to sell it.

Ms HALL—It is very interesting to hear the member opposite advocating the privatisation of Telstra. I think we need to put it on the record that that is his and the government’s position. It is not the position of the people of Australia who are very keen to ensure that they get good service. There is a total lack of accountability within the Telstra organisation. They are not accountable to anyone. The argument is that it is a partially privatised company and it is about ensuring profits and not ensuring service to the people of Australia. On the one hand, we have an organisation that is not receptive to the Australian people and, on the other hand, we have an organisation that is not accountable to the Australian people.

I would like to spend some time on the issue of the Telstra zones that operate within the Shortland electorate—especially the Central Coast area. The Telstra boundaries discriminate against a large number of consumers. People on the Central Coast relate to Sydney and Newcastle, and these are STD calls. This results in consumers receiving big bills—large accounts. If Telstra were to look at the issue and revisit it, they would find that there would be greater usage and they would still be able to retain the enormous profits that they have. I am sure that we will hear about that later today.

The legislation needs to be revisited to change the zones. I ask the government to revisit this legislation so the Telstra zones do not discriminate against the people of the Central Coast. The government should be receptive to their cries to be treated in the same manner as other consumers. (Time expired)
Mr HARDGRAVE (Moreton) (9.49 a.m.)—I rise this morning to advocate for Annerley, a marvellous suburb within my electorate of Moreton. Annerley has a tremendous history in the growth of Brisbane’s southern suburbs, out through to the Darling Downs, dating back to the 1840s. Much of Annerley’s history parallels that of my own family in south-east Queensland since the same time. In fact, my grandfather went to school at Junction Park State School—a school with a wonderful history which is located in the suburb of Annerley.

Annerley has also been the home of three premiers over the years. Digby Denham, William McCormack and Vince Gair in more recent times have all lived in Annerley. But in recent years the suburb of Annerley has been suffering under the pressure of a Brisbane City Council that has been determined to increase the density of housing. It wants more high-density housing that will choke the local streets and rob the local people of the open space and the sense of history that they should be able to enjoy in their suburb of Annerley. Annerley has had and still has many fine heritage homes, homes of tremendous value to the history of Queensland, but they are being choked by large brick monstrosities being built by the state housing commission as they load more and more people into the streets of Annerley.

At the same time this has been occurring there have been no additional recreational reserves or open spaces created in Annerley. The local shopping centre at the Ipswich Road and Annerley Road intersection has received none of the support that shopping centres in and around Annerley have received. Places like Moorooka, Stones Corner and Mount Gravatt have all received additional upgrades from the Brisbane City Council. The council has spent $19 million on local Shopping Centre Improvement Projects, SCIPs, across the city of Brisbane, but the Annerley business district has been left to slowly die.

People are getting the message. People are not shopping in Annerley the way the local retailers would like. The Commonwealth Bank, other banks and Centrelink have found that the poor bus service into the Annerley Junction area, plus the unfortunate presentation that the centre has because of the lack of funding from the Brisbane City Council and the pressure of Ipswich Road, a major arterial route running right through the centre, have meant fewer and fewer people going into the area and more and more shops becoming vacant.

People in my area believe the Annerley army reserve depot in Dudley Street, which is currently up for sale from the Commonwealth, should also become a local recreational reserve, an area of open space. There is an opportunity also. I call for the Brisbane City Council to return some of the $5 million or $6 million a year in council rates and charges taken from the residents of Annerley back to Annerley. Today it has reached the stage where I have had to launch a petition to petition the Brisbane City Council to allocate some of that SCIP funding to the Annerley shopping centre. I launch that petition regrettably, because of the failure of the local Labor Party councillor to act on this issue.

Economy: Government Policy

Mr SIDEBOTTOM (Braddon) (9.52 a.m.)—I noticed yesterday in question time that the Treasurer looked like and talked like a man who was very worried. You do not need to be a soothsayer to understand why. He has been forced to backflip, no doubt by the Prime Minister, on the BAS, fuel excise and the new tax system which is supposed to be dealing with trusts. Judging by the polls today, he has even more to be worried about. The stunt they tried to pull yesterday—and I noticed a headline in the Australian today was ‘PM forced into stunt’—was to try to drag the states into this fuel excise debacle, which the Prime Minister refused to deal with in terms of timing when he had the chance prior to 1 February or on 1 February. Of course that has come back to bite him and will continue to do so.

In my own electorate, for instance, that refusal to reduce the fuel excise from 1 February was costing something like $20,000 a day. In the seven months up to the Prime Minister’s
backflip something like $4 million had been ripped out of my electorate which could have well been spent in that electorate. But we have this federal government putting it around as if the states have plenty of money to throw around in terms of giving petrol subsidies. Let us not forget that it is the federal government which collects the petrol excise. The states used to through the state franchise fees, but these were abolished in 1997. Under the new tax system the Commonwealth is no longer paying financial assistance grants and revenue replacement payments to the states.

In actual fact in my own state of Tasmania the state government already gives motorists a 1.95c per litre subsidy for petrol and up to 2c a litre in subsidies for diesel. This costs our budget something like $14 million annually. The state Treasurer is on record as saying, ‘If we were to go beyond this, as this stunt calls for, then the Tasmanian budget would be in deficit.’ This talk about dragging the states in to counter the Prime Minister’s blunder will not work. The Australian electorate have made their decision in Western Australia and Queensland and very soon the vote will be win, lose or draw, but I think this government will get the message very clearly. The Prime Minister, the Treasurer and many around him are out of step, out of order and definitely out of touch.

Environment: Green Corps Projects

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.55 a.m.)—As everyone knows, I am a very strong supporter of our environment, our nation’s environmental future and the need to make sure that we pass on the environment to future generations in a much better state than it was in when we inherited it. I rise this morning to place on record my support for an ongoing and very successful Green Corps project in my electorate of Fisher. Participants of the fourth Caloundra Green Corps project have just graduated, meaning that two years of hard work by 40 young Sunshine Coast people has been completed.

It was a real pleasure for me recently to join Caloundra City Council environment officers, Conservation Volunteers Australia representatives, team leaders and graduates at the conclusion of their 26-week project. The coastal corridor between Tooway Lake and Point Cartwright on the Sunshine Coast is without doubt one of the most beautiful stretches of coast in Queensland and, because of this, it is heavily used by both locals and visitors alike. The fragility of the coastal dune system means that it must be protected as much as possible from human interference. The continued wellbeing of the dunal system also requires the eradication of exotic and non-indigenous species.

I am delighted by the tangible improvements which the four Green Corps teams have made to this important coastal corridor. In cooperation with Caloundra City Council, the teams have undertaken regeneration work, conservation activities and revegetation. In the last 26-week project to be completed, participants conducted bushland works on 12 sites, undertook five hectares of primary weed removal, and planted 1,800 trees, shrubs, vines, grasses and wetland plants. Importantly, the local community has also played a key role in this Green Corps project, with local Coastcare groups joining team members in revegetating dunal areas. Additional community activities that Green Corps participants have been involved in include participation with local schools on National Tree Day, assisting Sea Bird Rescue with rubbish removal, assisting the popular Woodford Folk Festival through the construction of fencing and tracks, working with Barung Landcare volunteers in Mary Cairncross Park in Maleny, and assisting local conservation park officers.

These connections with the wider community, coupled with the Caloundra City Council’s ongoing support for the program, have led to some wonderful results on the ground and have earned Green Corps growing praise from environmental groups within the region. The natural environment of the Sunshine Coast is important to the region economically through the large
tourism industry. But in the past, our natural environment on the Sunshine Coast has not al-
ways been looked after as it should have been, through a lack of knowledge of the effects
which exotic weeds and human contact have on our local environment. Green Corps teams
are successfully restoring the coastal corridor and rejuvenating native plant life as well as
wildlife habitats. It is through the great work of the Green Corps and community groups like
Coastcare that this important part of Queensland’s coastline is preserved in its natural state so
that residents and tourists can continue to enjoy its beauty for generations to come.

I place on record my sincere thanks to all involved in the four Caloundra Green Corps
projects, especially the volunteers for the wonderful contribution they have made to our
community. As the federal member for Fisher, I will continue to actively support Green Corps
projects throughout my electorate and generally throughout the nation.

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

APPROPRIATION BILL (No. 3) 2000-2001

Cognate bills:

APPROPRIATION BILL (No. 4) 2000-2001
APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001

Second Reading
Debate resumed from 6 March, on motion by Mr Fahey:
That the bill be now read a second time.

upon which Mr Tanner moved by way of amendment:
That all words after “That” be omitted with a view to substituting the following words:

“whilst not declining to give the Bill a second reading, the House condemns this Government for its:
(1) failure to address the significant investment needs in the areas of education and health and the pro-
vision of social and employment services since coming to Government;
(2) blowout in the cost of the Pharmaceutical Benefits Scheme and the threat this presents to the
sustainability of Australia’s subsidised medicines scheme;
(3) belated and inadequate attempts to remedy the chronic underfunding of research and innovation;
(4) mismanagement of the Defence Budget;
(5) refusal to remove the effects of the sale of the rest of Telstra from the Budget aggregates consistent
with the resolution of the Senate of 16 March 2000, the findings of the Besley report and the wishes
of the leader of the National Party;
(6) mishandling of the move to accrual accounting by providing complex, confusing and uninformative
budget documents;
(7) wasteful and profligate spending on poor quality programs to buy Democrat support for its unfair
GST;
(8) failure to identify in the Budget papers the full cost of GST collection and implementation;
(9) failure to put in place arrangements that deliver its guarantee that no Australian will be worse off as
a result of the GST package; and
(10) bungling of the Business Activity Statement which has sent many small businesses to the wall”.

Mr DEPUTY SPEAKER (Mr Nehl)—Before the debate on this bill is resumed, I remind
the Main Committee that it has been agreed that a general debate be allowed covering this
bill, the Appropriation Bill (No. 4) 2000-2001 and the Appropriation (Parliamentary Departments)

Ms GERICK (Canning) (9.59 a.m.)—I am pleased today to speak in the debate on Appro-
priation Bill (No. 3) 2000-2001 and to support the amendment moved by the member for
Melbourne. All governments have a duty to ensure that the legislation they pass is fair to the vast majority of Australians and to ensure that those most in need are given the support and assistance they need. Sadly, this is not a view which has been adopted by this government, where those most in need have been misled by the promises that have been made. Instead of being relaxed and comfortable—with the promise that no Australian would be worse off due to the GST—we all know that the reverse of that is, in fact, true. You only have to go out and visit the community groups, the people in your electorate, to find the people who are hurting and struggling.

One of the first issues I want to deal with today is the impact that the collection of the GST has on small businesses and charities. The comment has been made many times that small businesses have become the unpaid tax collectors of the government. What is worse is the fact that it is cash flow that has been badly affected, and it is as though a con job has been carried out. During the lead-up to the GST, small businesses were assured that, because they were going to have better control of their financial records and they were all going to become experts and anybody could do it, their business would improve. Of course, that is not the case. What has happened is that, instead, business owners have been distracted from running their businesses and doing what they do best and they are now trying to work out how to fill out a form. I do not know whether any members have tried to fill out a BAS statement but, if you have a spare 24 hours, I can recommend it as a way to exercise your brain. It is certainly not easy. It is unfair that they were told to, ‘Just give it a go.’ Small businesses cannot just give it a go. They have to make sure their businesses continue to run.

I have dealt with one accounting firm who told me that, because they are a service industry, in the beginning they found that their clients were taking longer to pay their accounts. They have now had to increase their overdraft facility. They started by putting it up to roughly $40,000 and now they are looking to put it up to $60,000, because their debtors are taking longer to pay their bills. So what is happening is that not only are they paying the GST on their inputs when they are filling out the BAS but also they are having to pay the GST that they have not collected yet because their clients cannot afford to pay their bills. So that is a real issue, and it is one that has not been resolved by the government’s latest backflip on the BAS statement.

I am really pleased that I have been made a member of the ALP’s BAS inquiry. One of the complaints that small business people have made when I have been speaking to them is that the government did not consult with them when they were designing the form and implementing this system. Yet again, when the government did their backflip, the small business people were not part of the group that we saw sitting around the nice glossy table. They were back in electorates like Canning trying to run their businesses. They need to be included and they need to have their stories listened to.

Charities and volunteer groups are also struggling with the demands placed on them with the burden of compliance with the GST. In my electorate a number of the charities and small groups, such as sporting associations, have told me that they are struggling to find treasurers, because people are just not willing to put themselves through the trauma of complying with the GST. The treasurers who have taken that position have told me, ‘I probably won’t do it again.’ One man in my electorate is a small businessperson and is the treasurer for about five community groups. He has told me that at the end of this year he probably will not do any because it is just too hard and he cannot afford the time. It is an unfair tax, and it is an unfair system. We are forcing people out of doing good work.

Hills Home Help, one of the charities that I am extremely proud to be the patron of, has estimated that for every week they have to wait for the GST inputs to be repaid, they are prevented from buying up to 600 kilograms of food that they normally put into hampers. That is food and goods that cannot be put into hampers for families in need. They have to wait, and it
is unfair. Those groups need supporting, nurturing and encouraging. They do not need to be
belted around the head with an unfair tax system.

Another group of people who feel deceived by this government include those living in rural
areas. My electorate of Canning includes the following small towns: Serpentine-Jarrahdale,
Byford, Pinjarra, Dwellingup and Waroona. It is sad to note that many of the problems that
exist have existed for quite some time. While the local communities are working really hard
to try to improve their resources, they rather feel that they are having blocks put in their way
instead of assistance given to them. If anybody wants to feel community rage, I would suggest
they go to a community forum in a small country town so that they could truly hear what is
being said. People are not quiet: they are coming forward with their concerns. I think any
government that does not listen to those concerns is certainly going to feel the anger and a
backlash from the community.

One of the major issues I have in my electorate of Canning is the ongoing problem of at-
tractive doctors to those small communities. Beginning with Serpentine-Jarrahdale, that is one
of those really lucky communities that changes between being a rural community and a city
community, depending upon what service it is about to miss out on getting. If it is a Telstra
service, obviously it is in the country, so it pays an STD surcharge. If it is a health issue, it
promptly moves back into the city, so it cannot use any of those programs to attract doctors to
the area. We have been struggling to get a doctor in Serpentine-Jarrahdale for the last five
years. Doctors do not want to go there. It really hampers the community because, if you are in
a rural community, you do not get public transport.

In Pinjarra, we have a downgrading of our local hospital. In 12 months there has been only
one expression of interest in a vacant position for a doctor. The doctors who are there cannot
take leave because they cannot get anybody to replace them. In aged care, we have the prob-
lem of our seniors being sent away from the small towns where they have spent their whole
lives. When they reach the stage where they need extra care, they cannot find an aged care
bed in their community and they are being moved, in some cases, 60 to 70 kilometres away.
Of course that limits the opportunities for their family and friends to support them and to care
for them in that time of need.

One of the best statements I have heard was made when I first went to Pinjarra as a candi-
date, and it has stuck with me. One of the local councillors described to me that a bus was a
really big vehicle with wheels that went everywhere other than Pinjarra. That problem persists
today. We have young people who cannot find work because, the minute they ring up and tell
the employer that they live in Pinjarra, the employer does not want to employ them. The em-
ployer knows that, potentially, they are going to struggle to get to work every day. That is just
cutting young people off at the knees before they get a fighting chance. We need to be looking
at that as a serious issue.

I was contacted in the last week by a councillor in Dwellingup. Dwellingup has about 700
residents. It is a beautiful little village. It has no access to mobile phone networks, but we
have managed to recently improve the TV reception, which has been a huge step forward.
Again, there is a lack of access to government services and the same lack of public transport.
The case that was given to me was of a single parent who works full time and whose son has
reached the age where he needs to go to a Centrelink office and complete all the paperwork.
This mother was very stressed. She was unable to take time off work, the son was being
threatened by Centrelink and all payments were going to be stopped because the kid had not
filled out the paperwork. There was no feasible way to get that young man to Mandurah to fill
out the paperwork. What happened was that that councillor said, ‘You tell me what needs to
be done and, if necessary, I will drive your son down and take care of it for you.’ It is great to
have good local representatives who are working hard, but you cannot do that for everybody.
It is not a fair ask. That issue needs to be dealt with promptly.
We have all seen in recent weeks that the government has claimed to have heard the people speak. I suppose the answer is that the government could not but fail to have heard the people speak after recent weeks. The government has agreed to make changes to the requirements of BAS and to change the petrol price. The problem the government is having is that, because it took so long to make those decisions and to listen to the people and because it was so arrogant in believing it had all the answers, the people just do not believe any more. We all know that members of parliament, in general, have a credibility problem in electorates, but the recent actions of the government have made that much worse rather than better.

Ms GERICK—The government needs to listen to all Australians, not just to those at the top end of town. If the government does decide to listen, it will learn that people do not want the remainder of Telstra to be sold. We want our ABC to be protected, not taken to pieces. This is particularly important to country people. The GST is hurting ordinary Australians. People are worse off and it is not a fair tax. Further amendments are required. People believe that their services are being eroded and their way of life diminished. The government needs to take notice of the amendments moved and listen to the people.

Mr ANDREN (Calare) (10.22 a.m.)—In the context of the debate on Appropriation Bill (No. 3) 2000-2001 and cognate bills, I want to take the opportunity to range across a number of issues of interest and concern to my constituents in Calare. The people of Calare know that fuel prices are influenced by many factors. They include the world parity price of crude oil, exchange rates, excise rates, the GST, the various grants schemes of state and federal governments, competition factors, transport costs, and wholesalers’ and retailers’ margins. But they also know that, despite the historically high prices of fuel they are paying at the pump in Lithgow, Bathurst, Orange or Blayney, only 40c out of a pump price of over a dollar equates to the refinery gate price of the fuel.

It is that fact which makes it hard for them to cop the government’s argument that far and away the main cause of the current high pump price is the high global price of crude oil. They know that that is one factor, but they also know that, at the moment, out of every litre of petrol for which they pay a dollar, some 48c is going in tax, be it excise or the double taxing GST on top of the excise. Motorists know that there is far more to the cost of fuel than simply the world price of crude.

When we talk about people hurting in regional Australia because of the current high petrol prices, we need to know who we are talking about. We need to remember that farmers and others in primary industries get back almost all of the tax they pay on diesel used off-road. Many who use diesel on-road get much of that back, too, through the grants scheme, and all businesses get the GST component back as a credit. People in regional Australia who are most affected by the current high prices are non-business owners, or business owners using fuel for private purposes. They are employees, pensioners, unemployed people looking for work and having to travel to do so or, indeed, to satisfy their activity test. We are talking about families who are perhaps living out of town, perhaps not, having to drive kids to school, to sport after school and to other functions.

While I acknowledge that many people in the outer suburbs of the cities are doing it tough, they at least have the option of public transport. If they have to approach eight employers a fortnight to satisfy their activity test, they can do so with a concession card and by using public transport. The only way many can do that in regional Australia is by owning a car, by hitchhiking or by some other means.

The Prime Minister’s response to the petrol situation has, I am afraid, gone largely unnoticed in Calare, where fuel regularly fluctuates by more than 1.5c in a week, especially on
weekends and during holiday periods. The move does nothing to fix the most common complaint of Central West motorists—that is, the huge gap that occurs regularly between the price of petrol in their towns and the price in the Blue Mountains. A cut of 1½c a litre is nothing compared to what could be achieved if only we could get to the bottom of the differential issue.

Before Christmas, petrol was selling for 15c less in the mountains than it was less than 100 kilometres away in Bathurst. The differential is now closer to 10c but that is massive compared to the 1½c cut the government has announced, welcome as it is. Motorists in the Central West of New South Wales should not be paying anything more than the extra amount it costs to transport it over the mountains. To ask the ACCC to investigate a cap on price fluctuations, as the Prime Minister has done, addresses only part of the problem. Quite frankly, I cannot see how the ACCC can have any power under the current Trade Practices Act to do something which amounts to price control.

We need to be looking at access to refineries, the price support the oil companies provide for their favourite retailers, the ability of franchisees to shop around for their petrol, and the publication or display of wholesale prices. We need to look at local competition issues, too. We should also remember that state governments can play a role in easing the pain to motorists. After all, they will be receiving about 9c a litre in GST on fuel in regional areas.

In question time on Monday, the Treasurer took us through what I guess was his view of the excise situation since 1997, when the High Court, in Ha and Hammond v. the State of New South Wales, finally clarified the scope of section 90 of the Constitution in ruling that state franchise fees on tobacco were unconstitutional. The Treasurer said that the New South Wales government is paid $707 million in revenue replacement payments, the equivalent of 8.3c a litre. Out of that $707 million, it refunds $47 million to motorists; it pockets $660 million. It has the capacity to refund the motorists of New South Wales 7.2c per litre.

Statements such as these do not appear to reconcile with the budget papers or, for that matter, with the revised GST inspired Intergovernmental Agreement on the Reform of Commonwealth-State Financial Relations. Part 2, clause 3 of that agreement says that the temporary arrangements for the taxation of petrol, liquor and tobacco under the safety net arrangements announced by the Commonwealth on 6 August 1997 will cease on 1 July 2000. What is actually happening is that, post 1 July 2000, the states are receiving an equivalent amount for excise as part of their budget balancing payments. They are not, however, receiving safety net or revenue replacement payments from the Commonwealth as the Treasurer and, indeed, the Prime Minister tried to argue this week. Last year’s Budget Paper (No. 3) outlined what the safety net or revenue replacement arrangements are. At page 37 it says:

On 5 August 1997 the High Court ruling on tobacco franchise fees ... cast into doubt the constitutional validity of all State business franchise fees (BFFs) ...

On 6 August 1997, at the unanimous request of the States, the Commonwealth announced ‘safety net’ arrangements to protect State finances. These arrangements provided for:

an increase in the rate of Commonwealth customs and excise duty on tobacco and petroleum products and an increase in the rate of wholesale tax on alcoholic beverages; and

a one hundred per cent windfall gains tax to protect the States from claims for refunds of past BFF payments.

All revenue collected by the Commonwealth under these arrangements is returned to the States (less administrative costs) as revenue replacement payments (RRPs).

Under the intergovernmental agreement, safety net arrangements will cease on 1 July 2000. However, due to a lag in collections, a small payment will be made in 2001 related to the 1999-2000 collections.

Table 16 of the budget paper sets out the sum of revenue replacement payments that would flow to the states for 1999-2000 and 2000-01. Rather than the $707 million the Treasurer
claiming has gone to New South Wales, his own budget papers say that in 2000-01 the lag payment for tobacco, petroleum and alcohol amount to just $113.8 million. Under the inter-governmental agreement the states receive all GST revenue, that is true. The Commonwealth has ceased paying financial assistance grants and revenue replacement grants, but has continued national competition payments and specific purpose payments—for example, to schools. The states will also receive top-up payments until 2003 until the GST kicks in, so they are no worse off than if the new arrangements had not been put in place.

These budget balancing payments include an amount to cover the safety net payments that would have been made if the old arrangements were in place, but the old revenue replacement payments are no more except for a small lag from last financial year. So all sides are playing with semantics on this issue. I suggest the government is muddying the water here to deflect pressure on petrol, given though that the states can have a capacity with their increased GST to look at some sort of subsidy arrangement, but that is a separate issue that can be debated. But to claim, as the government is doing, that the government is still collecting that excise and passing it on is stretching belief to the extreme.

Prior to 1 July the government was collecting 8.1c a litre in excise on behalf of the states. When the ANTS package came in the government reduced excise by 6.65c on unleaded fuel and relied on the oil industry to pass on savings of 1½c a litre so the GST need not increase the pump price of petrol. That adds up almost exactly to the 8.1c per litre the government has been collecting since August 1997 for the revenue replacement payments. The excise came off, the GST went on and all of that went to the states and the top-up payments now come from general Commonwealth revenue. Despite the semantics and the politics, I do agree with the Treasurer that the states can play a role in reducing petrol prices. Indeed, they may be in a better position to do this administratively and constitutionally than the federal government, but they can pay for this out of their growing GST revenue or the budget balancing payments, not out of the now nonexistent revenue replacement payments.

It is not only in federal financial relations that political games are being played. The Deputy Prime Minister has been doing the same thing on road funding. In a press release issued on 9 February following the Auditor-General’s damaging report into the department of transport’s administration of the Australian Land Transport Development Act, he claimed that since 1993-94 governments had actually channelled $2.9 billion more for roads overall since the 1993-94 period than would have been spent if only 4.95c per litre had been allocated as required by the act. In reaching the conclusion, he relied on the inclusion since 1994 of almost $5 billion in Commonwealth grants to state and local governments, despite the fact that road grants to local governments are untied, and identified road grants to state governments have been untied since 1991. He also included $435.9 million in identified road grants to the states for the 2000-01 financial year when state financial assistance grants have been replaced by GST revenue from 2000 onwards.

It may be that the government has spent money from other sources on roads, but the fact remains that the minister, not his sacked staff, failed in his reporting obligations under the act, and this failure led to road funding from excise since 1993 being some $2.9 billion less than the act requires. In the Auditor’s words:

If the Minister does not formally determine the charge rate, a default rate of 4.95 cents per litre applies. The Minister has not made a determination of the charge rate since 1993-94—

which also includes the previous government. He continues:

The Act also requires the Minister to report annually to Parliament on the details of the ALTD Account including moneys credited to and debited from the Account. The ALDT Program Annual Report prepared by DTRS has not provided details of any moneys credited to the Account.
The fact is that the minister has—for whatever reasons—failed in his duties under the act and in his administration of it. Repealing that act, or whatever proposals are in train, does not alter that fact. Rather than admit the error, the minister has tried to blur the issue by cobbling up figures from other sources that may or may not be spent on roads.

I want to turn briefly to some other issues of concern to people in my electorate. Firstly, with regard to Youth Allowance and Austudy, I recently wrote to the Minister for Community Services about two anomalies in the application of these payments. The first relates to the interplay between the family tax benefit scheme and Youth Allowance. I have received a complaint from a constituent about the significant reduction in the government payments her family now receives simply because her eldest son turned 16 and so became eligible for the Youth Allowance. Prior to her son turning 16, the family received $402 per fortnight in family payments. Her son now receives $106.92 and she now receives $247.23 for her three children under the FTB. As my constituent explains:

The fact is I have lost close to $50.00 per fortnight just because he has turned 16. He is still a full time student ... he does not have a job, our income has not changed or our circumstances. He eats just as much as he did before his birthday—probably more—and his clothes and school requirements, cost just as much (if not more) than they did before he turned 16.

Having had over the last few years 16- and 17-year-olds growing up to 20-year-olds, I know exactly what she is talking about. The letter continues:

On my constituent’s behalf, I have asked the minister to explain why it is that families such as the Barrows have their payments so reduced and to outline what steps, if any, the government will take to address this anomaly—hopefully in the upcoming budget.

The second anomaly relates to lack of rent assistance for students over the age of 25 on Austudy. This was most recently brought to my attention by a constituent enrolling at Charles Sturt at the age of 25. He asked why some of his younger classmates received rent assistance under the Youth Allowance and students his age receive rent assistance by virtue of turning 25 whilst in receipt of Youth Allowance. He makes the further valid point that he would be better off financially if he were to stay on Newstart and not try and develop his skills. It seems that this treatment is clearly discriminatory, putting those over 25 at a clear disadvantage. I hope the minister will also look at this in the context of the budget.

I want to make a few brief comments on the current political landscape in rural Australia. I said several years ago, after the rise of One Nation, that the city-centric media and many politicians who use the media as their antennae had completely missed the point in seeing the political rural backlash as something fairly recent. In fact, 15 years ago, when wheat growers dumped their grain on the steps of Old Parliament House in protest at the crises—including low world commodity prices—besetting the rural sector, the issues of malaise and disconnection with the political process were very much alive. They have been simmering and boiling away ever since. Those farmers have never forgotten the words of Gough Whitlam in the early 1970s—that they had never had it so good. In the rush to deregulate services—especially banking services—political parties forgot or ignored rural Australia. Interest rates then crippled many farming families, the foreclosures began, and a change of government in 1996 brought an acceleration of the deregulatory process that had hit the region so hard.

Hansonism and One Nation were symptoms, not the cause, of that discontent. Tragically, the blacker side of rural Australia—the Port Arthur conspiracy theorists and adherents of the shadowy League of Rights—have commandeered so much of that movement’s agenda. Rural
voters in the main, though, have parked a protest vote with One Nation but where a viable, moderate, informed broad based option is on offer, those voters will take that course. The election of a significant number of Independents in New South Wales, Victoria, Western Australia and now Queensland suggests the vast majority of rural and indeed outer metropolitan voters are looking not for extremes but for proper representation of their concerns by people they know and trust. They also want a role for government in their lives, to the extent that such key components as financial services, transport and communications and basic infrastructure needs are provided and, where necessary, regulated.

Because so many are the aged or are low income earners, they know that a consumption tax is unfair and that it targets those with no discretionary spending. If they are in small business, they are now frustrated at being unpaid collectors of the GST. Rural dwellers—and I acknowledge the concerns of the member for Werriwa—and those in low to medium income areas of Sydney and other metropolitan areas resent the obvious and blatant tax avoidance of high-flyers and of both local and overseas companies avoiding their responsibilities. They do not believe for a moment that a GST is fair for them when income tax avoidance is still rampant and most tax reforms are seen as benefiting the top end of town. The mantra of the free marketeers and of competition policy is just not accepted by people who know Telstra is the only organisation with the capacity to provide the infrastructure necessary to deliver 21st millennium communications, and that other players will just pick the eyes out of the profitable parts of the market.

Country people realise that another one-off sale of Telstra will do absolutely nothing to meet the environmental crisis facing our farming lands and river systems. Last week a report of this parliament made some critical recommendations on ways to redress the decline in the state of our river system, including seriously looking at introducing an environment levy. Let us not be cute about it: we need a tax on every Australian to help fund the estimated $60 billion required to make a serious attack on our environmental crisis. Everyone should contribute, for we have all—in the city and in the country—benefited from the wealth generated by our rural industry.

But we must go further. We must stop the unbridled clearing of land, particularly in Queensland, that is further contributing to the degradation of our landscape. We must get serious about alternative energies, such as wind power, and we must begin to wean industry off fossil fuels. If we preach the message of global union in the marketplace then we should play our global role in meeting greenhouse gas emission targets that truly reduce our unacceptable levels, rather than skirt around the issue. We should not regard carbon trading and carbon sinks as the answer either for, after all, these only match black emissions with green credits; they do not reduce the overall black emissions.

We can no longer place the issue of the environment on the left of the political spectrum and view it as some sort of protest movement. The health of our country and planet is vital to our economic survival, and the environment portfolio should have its minister in cabinet in this and all future governments, so that the environment is given equal ranking with health, education and, indeed, the Treasury.

**Dr THEOPHANOUS (Calwell) (10.42 a.m.)—**I am pleased to follow my Independent colleague, the member for Calare, because I agree with some of the issues that he raised. This is an interesting day to speak on the Appropriation Bill (No. 3) 2000-2001 and cognate bills because it gives us the opportunity, as usual, to speak in broad terms about the general political agenda and what is happening in this country.

One of the interesting pieces of news today is the opinion poll which shows the Labor Party with a high 48 per cent primary vote and the Liberal and National parties down to 30 per cent, which is the lowest vote in a poll ever recorded. What is going on in the political
Some people think that this is just a temporary phenomenon. I do not think that is right. I think the Liberal Party’s continuing move to the right is now being reflected in the polls.

Looking at this from the point of view of a political scientist, one wonders why the Liberal Party has chosen to follow a leader who has continuously pushed them further and further to the right, thereby giving the whole centre ground of politics to the Labor Party—for which they have been very grateful. In recent days, commentators have raised questions such as: what does the Liberal Party now stand for? What is its concept? What is its vision? Where is it going?

One has to look at some of the things that have happened in the last three or four years. The Prime Minister thought he was being very smart when he decided to have a very conservative social agenda and abandon a number of key social justice and human rights issues. He felt he could win the votes of Hanson supporters—the so-called ‘one million votes’. I agree with the member for Calare: they are not all the votes of extremists and racists. It took the Prime Minister a long time to condemn Hanson and, when he finally did, he agreed to put in place agendas which are, unfortunately, very similar to those of Hanson. The result has been that the Liberal Party is now perceived, generally speaking, as being contrary in its approach to fundamental issues of social justice and human rights.

I am not saying that all members of the Liberal Party are like that, but this is the image which has been created by the Prime Minister because of the positions that he has taken on reconciliation, human rights, multiculturalism and other related issues. It might be thought that, after all, if you can win the votes of the Hanson supporters, who cares about a few people who might be concerned with human rights. The fact of the matter is that it is not just a few people. The vast majority of central and swinging voters do have some concerns about human rights issues. The government’s failure to recognise this—failing even to take account of the recommendations and suggestions of its own backbench members who have been concerned with human rights issues—has led to a situation where the whole government has been tainted with this image of abandoning human rights.

The most interesting illustration of this was the extraordinary decision last year to have two ministers face the cameras and say, ‘Right, we’re going to do away with any cooperation with the United Nations human rights committees. We’re going to reduce our involvement in those committees and we’re going to refuse to ratify the convention on the elimination of discrimination against women.’ Can you imagine that? Can you imagine a government in the modern Western world doing something like that? But we have a compliant media and the media in Australia are a disgrace when it comes to human rights issues. They have supported Hanson and they have supported these kinds of actions by the government.

As a result of that situation, we have been embarrassed internationally. I have talked to some of our international representatives and they are saying that, whereas at the United Nations a few years ago Australia was considered to have weight and power above its size, it is now considered to have weight and power much less than its size. Why? Because, in the United Nations and other forums, the current government’s attitudes and positions are viewed with total contempt. The government do not mind that because they think they are winning votes.

They think they are winning votes, for example, when they condemn refugee claimants—people who come to Australia from places like Afghanistan, for God’s sake. That is the place run by the Taliban—the people who destroy 2,000-year-old Buddhist temples and statues. People escape from these regimes and come to Australia and what does the government do? They put them in prisons which are called ‘detention centres’. The minister then goes on radio and television—not only here but overseas—and he says to people, ‘Don’t come to Australia.
in a boat. Don’t try and claim refugee status in Australia. We’re such a small country, we can’t afford to have any more people.’ More than 100,000 people go to Western Europe every year claiming refugee status and yet we think it is a big crisis if 2,000 or 3,000 people come here! Do we treat them in a humanitarian fashion? No. We impose all sorts of extraordinarily tough conditions on them. What do we say to them even after the tribunal says they are genuine refugees? We say, ‘Bad luck, we can’t give you permanent residence.’

For 50 years we had a proud tradition that, if you became a refugee, you were given permanent residence—not any more. Now we say, ‘Okay. You are not going to get permanent residence; you are going to get a three-year temporary visa and, at the end of the three years, we will determine what you are going to do.’ By the way, have we actually given them a guarantee that, if the circumstances still continue, they will get permanent residence? We have not. I have asked the minister not one but two questions on notice on this issue. I have tried to get a guarantee from the minister on whether or not the temporary protection visa means that at the end of the three-year period people are going to be able to get permanent residence if these circumstances still apply in Afghanistan or wherever they come from. Each time he says, ‘They may be able to.’ But there is no assurance that, if they meet the criteria, they will be able to. I challenge the minister to come out and be honest about this. Are these people, if they are still refugees, at the end of the three years going to get permanent residence or not? Or are they going to be given another three-year temporary visa? What is he saying?

Why is this an important matter? First of all, these people are not given the same rights as other people in Australia. They do not have the same access to services. In particular, they do not have access to education, something which they really dramatically need—and the minister knows that. But there is something else. They are not able to bring their spouses or their children here while they are on this temporary three-year visa. That means that we have a policy of forced separation of people from their spouses and children. You are not allowed to sponsor or bring them. If you come from Afghanistan, for example, and you are given refugee status and this temporary three-year visa, you are not allowed to bring your wife and children here. What sort of an image does that present to the world and the Australian people? Does the government think that all the Australian people are simply Hanson supporters?

I can tell you that the swinging voters—the people who used to vote Liberal—are very concerned with the image of this Prime Minister. I can tell you that this issue I have just referred to, and the other issue of reconciliation that I will come back to in a minute, have been taken up by groups of people who always used to vote Liberal—church organisations, for example, and welfare groups. And they are not all living in the western suburbs in the poor areas—they are also in the eastern suburbs of Melbourne, for example, which always used to vote Liberal. They are having campaigns there about the refugees. I have been to them; I have seen them. These people are going to their churches and welfare organisations. What are they telling them? They are telling them that this is a government without a heart.

If the Liberal Party wants to completely abandon its traditions from the past and forget about these groups of people, it does so at its peril. They are the people who are running away from the Liberal Party. It is not just the Hanson people that are running away. It is also the middle ground people; the people who used to think they wanted to support the Liberal Party for economic reasons but also expected it to have a social conscience. Whether or not it is claimed the party has a social conscience, the fact is that the appearance is very different both here and internationally.

This is a bad thing for democracy because it is important for democracy that there be some balance between the parties, not a situation where the Liberal Party is imploding because it has abandoned some of the traditional values. I remember considering former Prime Minister Malcolm Fraser to be a conservative person, especially on economic issues. He had some good ideas on social issues, especially multiculturalism—I will say that for him. He did some
things on Aboriginal affairs. But what has happened to him in recent years? He has virtually become a pariah in the Liberal Party because that strand of the Liberal Party has completely been destroyed.

Mr Rudd—He speaks the truth.

Dr THEOPHANOUS—Yes, he speaks the truth on many issues, including human rights issues. But this former Prime Minister who did so many things to identify that party with things like reconciliation, multiculturalism, human rights et cetera has virtually become a pariah. And, in the meantime, they think it is very smart to go around treating refugees as they do or treating indigenous leaders and indigenous people with contempt. I remember when Aden Ridgeway, the Aboriginal senator from the Democrats, came to a compromise with John Howard, and it was assumed that the Prime Minister was going to actually do something on reconciliation. Instead of that, what have we got? Senator Ridgeway has totally abandoned his support for the Prime Minister. Why? Because the Prime Minister did not act in good faith on the reconciliation issue. He did not carry out actions on the reconciliation issue; he did not do the things which were required.

I will give the House some awful facts. Is the House aware that the number of deaths in custody of indigenous people has actually increased since the report came down? Isn’t that a shameful thing? We carried out that massive exercise, we had all the recommendations and yet, at the end of the day, we have the following situation: indigenous people are 17.3 times more likely to be arrested, 14.7 times more likely to be imprisoned and 16.5 times more likely to die in custody than non-indigenous Australians. That is the situation we have got after the report. How can a government that has been in power for five years talk about how everything is going relatively okay in this society? If you listened to the Prime Minister you would think, ‘Gee, we live in the best country in the world and we have got no problems.’ I will not talk about the economic problems for the moment, but what about trying to actually do something real about these other problems?

Mr Deputy Speaker Andrews, you were able to show that the federal parliament had some considerable powers over the government of the Northern Territory in one of your actions. It is funny that we were able to ensure that. But when it comes to the question of mandatory sentencing of juveniles, of which the overwhelming proportion are people of an indigenous background, suddenly the federal government does not have powers or is not interested in exercising powers. The federal government had the power in the case that you, as the honourable member for Menzies, brought up. But doesn’t it have the power in the case of mandatory sentencing of people? Of course it does.

The acceptance of that shameful deal basically gave Mr Burke everything he wanted. He went away smiling at the cameras, saying, ‘I’ve got everything I want.’ Mr Burke should have gone away feeling pretty ashamed of himself. Instead, we had that situation—another example of what is going on in this country. One could mention many other issues, but suffice to say that we are now at a crossroads in relation to what is going to happen with politics in this country. The key concern that I have is the increasing undermining of human rights in every sphere of life in Australia. It is not just the refugees and it is not just the indigenous people. Many other groups feel disadvantaged: the disabled, sections of the poor and migrant communities.

I have tried to raise the question of providing sufficient resources for people from ethnic backgrounds who are ageing. Ethnic aged care is an issue I have raised. When I raised it with the Minister for Aged Care, she chose to say that she did not have any statistics to give me. I raised the matter of the proportion of beds that are going to specific ethnic clusters for people who have needs because they are ageing. Those people lose their knowledge of English and revert to their original language. What are we doing about that? We have increased the num-
number of aged care beds, but we have not increased significantly the number of beds to cater for people from these backgrounds. I have said, ‘Let’s try and deal with this issue because it has become a crisis, especially in our big cities of Sydney and Melbourne.’ Why would anybody of ethnic background in Sydney and Melbourne vote Liberal? What is the Liberal Party doing for them?

Leaving aside these issues of aged care, let us look at what is happening to the immigration program and the way in which family reunion has virtually been destroyed. You cannot bring your brother and sister here. If you are an Australian citizen and you marry somebody from an Asian, African or Middle Eastern country, you end up having to wait for nine to 12 months—sometimes 15 months—to bring your own spouse here. What is going on? What has happened to the concept of rights? People come into my office every day about these issues. They all have a fundamental thing behind them—the issue of basic human rights. I will be saying more about this in the House.

Mr Rudd (Griffith) (11.02 a.m.)—In this debate on the Appropriation Bill (No. 3) 2000-2001 and cognate bills, I would like to address my remarks to the management of the Australian Public Service and the management of other aspects of the public institutions of this country. This is an important issue because the administration of the nation’s resources through the Public Service is critical. We have $160 billion worth of public outlays in this country. Without an effective and properly managed Public Service, that $160 billion worth of outlays will simply be put to no good effect. We need an Australian Public Service which has a strong and robust tradition of independence in its policy development processes; a strong and robust Public Service in terms of the skills of policy coordination; and a skilled and dedicated Public Service in the concrete and practical tasks of program delivery at the coalface out there in the Australian community.

A properly managed and independent Australian Public Service is important in its own right. It has also been a longstanding professional interest of mine. I spent 15 years in the Australian Public Service, in large part in the Department of Foreign Affairs and Trade. However, I was also on secondment from that department to the Queensland Public Service, where I was director general of the central policy agency for some five years. During that five-year period, I also worked as the Queensland government’s representative on the Council of Australian Governments.

While I do not claim any particular monopoly of personal wisdom in this area, I would say, however, that I have some observations to make about how things have gone in the last several years. Again, my comments are not predicated on the assumption that everything which has occurred in the public administration of Australia during periods of Labor administration has been perfect—far from it. In the period in which we ran the Public Service in the state of Queensland after 32 years of entrenched National Party rule, there was a major challenge of public sector reform there. We got many things right and there were some things which we could have done better. When reflecting on Public Service reforms during the 13-year period of the Hawke and Keating governments, I think the same sort of balanced assessment is equally necessary.

However, those caveats to one side, I am concerned about the continued independence of the Australian Public Service. The independence of the Public Service is absolutely critical, given the complexity of the policy challenges which are faced by government today in an age of globalisation and of increasing interconnectedness between one realm of policy and another. Governments of whichever political persuasion need the best and brightest professional and technical advice available to them. That advice should be provided without fear or favour.

The problem, however, in my view is that the culture of the Australian Public Service is now probably at its least independent ebb in its entire history. I do not believe this is because
of necessarily the independent personal political affiliations of individual public servants. In
the period in which I was in the Australian Public Service and working in the Department of
Foreign Affairs, I was always a member of the Australian Labor Party. Many of my col-
leagues were members of the Liberal Party. In fact, surprising though it may seem in the De-
partment of Foreign Affairs, you found the occasional member of the National Party. But
there was no problem in terms of people exercising a function which said that our independ-
ent and private political affiliations as public servants in the Department of Foreign Affairs
would interfere with providing objective advice to the democratically elected government of
the day.

However, what we have seen in recent times is a concentration of the powers of appoint-
ment, dismissal and reward and remuneration in the hands of the Department of Prime Min-
ister and Cabinet and, in particular, in the hands of the Secretary to the Department of the
Prime Minister and Cabinet. This has had ramifications across the entire Australian Public
Service. The rhetoric of the Howard government in terms of its attitude to the Public Service
has been interesting. If we read the document of November 1996 entitled, ‘Towards a Best
Practice Australian Public Service’ and documents such as the APS Act as it was introduced
in 1997 and amended through 1999, we find stated a robust philosophy of independence for
the APS. For example, it is stated that the APS should be ‘apolitical; free from discrimination;
a service in which employment decisions are based on merit; accountable; responsible to the
Government of the day; highly ethical; and committed to achieving results and managing per-
formance in a fair, flexible, safe and rewarding environment.’

That is all very well, but the reality of what we have seen over the last several years is
anything but a practical articulation of that principle of independence in particular. I think the
worst regulatory example of this point was seen in the Remuneration Tribunal’s determination
of 4 March 1999 in which the Remuneration Tribunal determined that ‘a new approach to
setting remuneration levels for departmental secretaries which includes provision for an an-
nual performance bonus, to become available during 1999-2000 (the Prime Minister to make
a recommendation to the Tribunal on the performance of a secretary after considering a report
prepared by the Secretary to the Department of Prime Minister and Cabinet and the Public
Service Commissioner)’.

Of course, the practical outworkings of that particular determination was that you had an
extraordinary, unprecedented concentration of power in the hands of the Secretary to PM&C.
If you want a final demonstration of how that has been executed, you simply need to turn to
the details of the now infamous Barratt case—the Secretary to the Department of Defence
appointed by the Howard government, itself a political appointment—and the hearing of Mr
Barratt’s dismissal before the Federal Court where it was found that the Prime Minister under
the current APS Act does not require cause to dismiss a departmental secretary, a finding
based presumably on the advice of the secretary of his own department.

Where does all this lead in terms of the powers of the Secretary to the Department of Prime
Minister and Cabinet and of the Department of Prime Minister and Cabinet itself? Histori-
cally, of course, that agency was something of a protocol office. The period of the Gorton
government was the first time we saw the emergence of PM&C as actually a policy coordina-
tion agency in the modern sense. That trend accelerated through the Coombs Royal Commis-
sion on Australian Government Administration during the 1970s. Then, during the Hawke and
Keating governments in particular, we saw PM&C evolving into a very strong policy coordi-
inating agency—something that was necessary, most of us would argue, in the age of modern
governance when the complexity of the public policy process means you need effective cen-
tral coordination of a government’s overall position. Whereas the PM&C’s powers of central
policy coordination were great under the Hawke and Keating governments, those in terms of
personnel appointments, dismissals and remuneration were in fact highly devolved. The
were the prerogative primarily of ministers and departmental secretaries. They were also regulated through the Public Service Commission under its powers at the time.

The modern PM&C is radically different. I believe we have a weakening of the central policy function of PM&C. But, strangely and almost in reverse trend, we see a further and radical acceleration of the powers of hiring and firing by effective the Secretary to PM&C. It is strange that, at a time when the nation’s public administration is calling out for a strong central policy lead from the central policy agency of the Commonwealth, we have in fact seen the reverse. The best illustration of this is the evolution of COAG over the last four or five years, a process with which historically I was quite intimately associated. COAG in its history was responsible for developing major national microeconomic reforms in road, rail, gas, electricity, national competition policy and a raft of other areas. It was an initiative of the states in the early 1990s. It was designed explicitly to separate out those sorts of policy deliberation processes from the financial Premiers Conference, which was all about the allocation of revenue. This machinery made possible an entire raft of national microeconomic reform. There was always a large amount of argy-bargy involved in its internal processes but it was driven always by strong policy leadership from the Commonwealth at the centre.

The problem today, however, is that when you look for this same sense of strong policy leadership from the Commonwealth, through the Commonwealth’s own central policy agency, PM&C, it is no longer there. The universal commentary from the states over the last several years, irrespective of whether they happen to be Labor or conservative states, is that COAG has fallen into complete disrepair and disuse. This I think is partly an explanation as to why this government is rightly castigated by many commentators for suffering from reform fatigue. In part, the machinery through which reform, microeconomic reform in particular, was delivered to Australia during the Hawke and Keating governments was a central policy agency which saw its primary mission in life as driving that agenda using the machinery of PM&C to bring coherence to the Commonwealth’s own line departments but also in its collaboration with the central policy agencies of the states arriving at a bureaucratic level consensus which would then form the basis of political decision making. There is much unfinished business out there. We only have to look at the continued public administration disgrace in terms of administrative overlap and duplication between the two and three levels of government in this country to realise that much work potentially is left for COAG to do.

What is strange is that, when we have seen what I think is an erosion of the policy credibility of the Commonwealth’s own central policy agency, we have had this parallel strengthening in terms of the central agency’s interest in, and powers to engage in, quite radical practices of hiring and firing. Across the Australian Public Service we now have something of a culture of fear among departmental secretaries. Departmental secretaries either belong to the Max Moore-Wilton faction or they do not belong to that faction. Before, if you happened to be a favourite of the Secretary to PM&C in the period of the Hawke and Keating governments, that created problems in terms of your ability to initiate independent and separate policy initiatives perhaps but it did not actually place your job on the line. Now if you do not happen to be part of the Max Moore-Wilton faction out there in departmental secretaries’ land, your job is on the line, as demonstrated by the Barratt case in particular.

There is a celebrated story from early in Mr Max Moore-Wilton’s career when he is reported—and I understand that he has never discounted this story—to have sacked a car parking attendant at PM&C for not having demonstrated sufficient respect to him as a person. As a consequence, the attendant fell foul of the secretary and the sort of honour and dignity which he assumes should flow to his office. That is just one illustration of the problem. We also now have political appointments by the head of PM&C to the cabinet secretariat function—for-merly Mr Michael L’Estrange, who is now heading off to London, and he is being replaced by Mr Paul McClintock. These are plainly Liberal Party appointees to the centre of the policy
coordination cabinet process—a process which those of us who take public administration seriously in this country believe should always be sacrosanct in terms of the intrusion of political appointees into the actual machinery of the cabinet process itself.

The core problem with the Australian Public Service today is that, in relation to the power of the permanent secretary, Max Moore Wilton, we have a decreasing independence of the Public Service culture itself and an increasing fearfulness on the part of departmental secretaries. Place yourself mentally in the position of being a 40-something departmental secretary out there faced with the prospect of providing fearless and independent advice on a particular matter or incurring the wrath of the secretary of PM&C, who is now effectively empowered to kick you out the back door. The practical consequences of that is to encourage a culture of compliance with and subservience to the political whims of the government of the day or compliance with and subservience to the secretary to the Prime Minister’s department of the day.

The independence of the Public Service is critical for this country and major rebuilding needs to occur in the future, but it is not just the Australian Public Service that has suffered an erosion of its independence. We have had severe criticism of the erosion of the independence of the ABC. There has been much controversy concerning the appointment of Jonathan Shier. We know that Mr Shier had been a Young Liberal. In itself, that is not a hanging offence; however, when Mr Shier appeared before a caucus committee of the Australian federal parliament not long ago, there was a general preparedness on the part of many in the caucus to give Mr Shier the benefit of the doubt—to give him time to prove himself and whether he was going to ensure that the independence of the ABC, as required under its charter, was going to continue.

Here today in this parliament I have to say that my faith in Mr Shier’s independence and in the independence of the ABC has been fundamentally shattered by the news that I had confirmed just before coming into the chamber. It has been confirmed today that the position of Queensland manager of the ABC—a very important position—has just been awarded to Mr Chris Wordsworth, a senior adviser to Mr John Moore until Mr Moore’s recent departure from the federal parliament to earn more dollars, I presume, in the business community.

Mr Moore has gone missing in action as far as the electorate of Ryan is concerned. Mr Moore has brought on an unnecessary half million dollar by-election in the electorate of Ryan. As a consequence, Mr Moore has a series of unemployed staff members—including Mr Wordsworth, one of his senior advisers. However, Mr Wordsworth has been told, ‘Don’t worry, Chris. Bob’s your uncle. We’ll find you a job,’ and that job happens to be as state manager of the ABC. This is an outrageously partisan appointment. It is a total prostitution of the independence of the ABC to appoint a Liberal Party staffer to be state manager of the ABC.

It also demonstrates an extraordinary level of political arrogance. Mr Moore has abandoned ship and brought on an unnecessary half million dollar by-election, his staff have lost their jobs, but they are told, ‘Don’t worry about that, we’ll find another one for you in the electorate of Ryan.’ That is where the ABC is headquartered and that is where Mr Moore’s former political staffer, Chris Wordsworth, will now have a job. The timing of it is extraordinary. This has been confirmed by pressure on the ABC management from a range of people to find out whether or not the appointment of Mr Wordsworth had occurred. It was only this morning that we managed to extract the information from Mr Shier’s office.

The timing of the actual appointment and when Mr Wordsworth is to take up his appointment is an even greater scandal. The date on which Mr Wordsworth will take up his appointment as regional manager of the ABC is 19 March—mysteriously, two days after the Ryan by-election. I wonder whether the plan had been to leave this a very dark and deep secret in the bottom drawer until the Ryan by-election was safely out of the way. Well, the whistle has
been blown and, as a consequence, the people of Ryan—an electorate which contains many Friends of the ABC, the ABC being physically headquartered within Ryan—I believe will be disgusted by this complete prostitution of the ABC’s independence.

Some may say that Mr Wordsworth has had a long career as a journalist. That is fine; people move in and out of political adviserdom. We understand that, and there is no particular complaint on that score. However, when you move to such a sensitive position as a state manager of the ABC, surely wisdom would dictate that you would allow a person a period of political sanitisation while their independence was re-established in the minds of the general community. I ask the House to consider the reaction of those opposite if we were to appoint Greg Turnbull, from the Leader of the Opposition’s office, as the state manager of the ABC. What would be the reaction of those opposite? The reaction of those opposite would be to say that this represented a gross political partisan appointment in terms of the ABC.

The conclusion to be drawn in relation to this matter is that the independence of the ABC is important for all Australians. The independence of the ABC is critical for all Queenslanders. The independence of the ABC is critical for all residents of Brisbane. The independence of the ABC is also critical for all residents of the federal division of Ryan. The ABC lies physically within Ryan. Friends of the ABC form large parts of the community of the electorate of Ryan. But what the Liberals have done in terms of this particular appointment is to thumb their noses at any conventions concerning the independence of the ABC and proceed to appoint a Liberal Party person to that most important and sensitive position. This is not a matter of Dracula in the blood bank; this is a matter of transferring the entire blood bank to Transylvania for ease of access. That is what has happened in terms of the political prostitution of the independence of the ABC with this particular appointment.

The independence of the ABC, the independence of the Australian Public Service, the independence of the various individual departments of state, are a critical part of the Australian fabric of life. As far as the ABC is concerned, it is actually part of the ABC’s charter. We cannot afford to sit idly by and allow appointments of this nature to occur, one after the other, and say, ‘That’s simply a normal way to proceed.’ It is not. It represents an erosion of the ABC’s independence; it represents an erosion of public confidence in the ABC’s capacity to independently execute the requirements of its charter. In terms of those who depend on the ABC as an independent source of news and current affairs, it is simply an appalling decision which will deserve and obtain condemnation from the community at large.

Mr SAWFORD (Port Adelaide) (11.22 a.m.)—Callers to my office in the last couple of months have revealed an increasing frustration with the failures of both the federal and the South Australian governments. In health and aged care, in education and training, in jobs and welfare, both governments are seen as not listening and as being uncaring. The callers offer plenty of reasons to support this view. There is a sense that the arrogance and funding priorities of both governments are creating enormous divisions in our society. The rich-poor divide is getting greater, and that should be a matter of great shame to us all.

Australia is a lucky country; it is a wealthy country. Governments should be closing the rich-poor divide rather than widening it. Yet the policies of both governments serve only to widen it. The sharp escalation in social problems and despair over the last five years can be laid squarely at their feet. Take aged care, for example. A constituent of mine, Mr Robert Burzynski, of Ottoway, has told my office of the despair he feels in trying to find nursing home accommodation for his ailing father. So sad is the story and so widespread the problem that even the Adelaide Advertiser ran a feature headed ‘Hospital overload’.

Robert Burzynski said that he had placed his father on waiting lists at 26 nursing homes. While they would prefer one catering to the Polish community, they were willing to go anywhere. His father, Mr Peter Burzynski, is currently in hospital. Recent strokes and the onset of
dementia and blindness mean that he is now too frail to be cared for at home. But it is not hospital care that he needs. He is in a hospital simply because there are no vacancies in nursing homes. The culprit for that sad state of affairs is a combination of the federal and state governments.

Mr Burzynski is occupying a hospital bed that should be available to someone who is in need of hospital care, not nursing home care. Private health cover has allowed Mr Burzynski to be cared for in a private hospital but when that entitlement expires, as it will shortly, he will be moved to a public hospital. This will just add to the overload at public hospitals. Already, more than 160 beds in South Australian public hospitals are occupied by aged persons waiting for a vacancy in a nursing home. It has been as high as 200. That means that 160 people who are in need of hospital care have to wait for that care until a bed becomes available. Ambulance drive-bys are becoming all too frequent. The situation is scandalous and will get worse unless government action is taken to rebuild our public health system. Peter Burzynski said that one nursing home he contacted had 100 beds and 200 people on their waiting list—a hopeless situation.

A constituent from Seaton came to see me the other week. He has had to move 60 kilometres to Hamley Bridge, a country town, in order to be near his father who needed nursing home accommodation—the only vacancy after 15 months of trying. Some people are waiting for six to 12 months for a nursing home place, and the delay is causing considerable hardship for their family and carers. As Jean Rosewall of the Aged Care and Housing Group said, ‘The Federal Government must realise the situation is at a desperate stage.’ Our health system is collapsing under the weight of neglect and lack of care. If the federal and state governments were at least prepared to acknowledge this, there might be some hope of a turnaround.

The Prime Minister has proved that he can do a backflip—in fact, he has done a couple of bellyflops lately—and I call on him to do another on his government’s hospital and nursing home care funding policies. He should also do a backflip on the health care rebate issue, because this expensive stick to force people into private health cover has done absolutely nothing to ease the pressure on public hospitals. Instead of being fixated on private health insurance, the government should provide the funds needed to solve the public hospital and nursing home crises.

Evidence of the growing rich-poor divide in our society can also be found in the government’s treatment of pensioners and those seeking assistance through Centrelink. For example, the frustration experienced by callers to the Centrelink lines may seem a minor matter to some, but it is symptomatic of the attitude the federal government seemingly has to anyone on a benefit of any kind, including carers and family payments. Callers to my office last week drew to my attention the fact that they had been trying for two days to get through to Centrelink but the phones were constantly engaged. They could not even get into the system, where waits of sometimes hours are common.

Why would the phones have been running so hot last week? I suspect it might have had something to do with the disquiet in the Liberal party room. I suspect that one of the reasons would have been the public exposure of the deceit of the Prime Minister on the age pension issue. When the government introduced the GST last year, they said that pensioners would receive a four per cent pension increase as compensation for the higher prices they would be paying for everyday items because of the new tax. But the fine print said something entirely different. It said that half of that increase was not compensation for the GST at all but simply an advance on the next scheduled cost of living increase. So, when the next CPI indexation is made this month, the government will take back two per cent of the four per cent that was paid last July.
It can only be presumed that the Prime Minister believes that two per cent is adequate compensation for the GST, which is a nonsense. All the evidence shows that is a nonsense. In fact, most of the Liberal backbench knows that that is a nonsense—they have been reporting it to the Prime Minister and the Treasurer. Either that or he thought he could get away with a sleight of hand. Does he care that pensioners and others on fixed incomes are now worse off than before the GST was introduced? Clearly not.

It is not only pensioners who will have a two per cent cut this month. All social benefits that increased by four per cent last year will be cut by two per cent. It is worse: it includes pharmaceutical allowances, parenting payments, telephone allowances and unemployment benefits. This is the second trick the Prime Minister and the Treasurer have played on pensioners over the GST. The Pension Bonus Scheme, in which all age pensioners were promised a $1,000 bonus for a GST, was the first.

Mr Nugent—That is a dishonest statement.

Mr SAWFORD—People on the other side of parliament are very sensitive at this time. That promise was a lie, and all pensioners know it. Many pensioners, especially those most in need, received not one red cent from the bonus scheme. Yet because of the GST many age pensioners, like everyone else, have had to pay more for everything, including petrol. The government has been dragged kicking and screaming into making a cut in fuel excise of 1.5c, but the extra money which motorists have paid since last July has disappeared into the government’s coffers and has gone forever. For pensioners and others on low incomes, who have to watch their spending very carefully, the loss is significant.

It must be remembered that the Prime Minister’s recent backflip on petrol did no more than give back to motorists what belonged to them all along. Before the last election, the Prime Minister promised that the price of fuel at the pump would not rise because of the GST. Yet fuel did cost more because of the GST. When protests followed, the Prime Minister and the Treasurer simply thumbed their noses at motorists—and at their backbench. In the last nine months, the government has wrongfully snaffled a massive amount of extra tax. The government should make good its debt by putting that money back into the community in any number of responsible ways, including that provision of much needed nursing home beds, not just in South Australia but all across Australia.

Under this coalition government, the increasing divide between the rich and the rest of the community is also evident in education. The government’s new school funding system is one of the most discriminatory, unfair and divisive pieces of legislation ever put forward in this parliament. It provides an average of $4,000 each for public schools, about $6 a head, but an average of nearly $1 million each for the richest private schools. In fact, Trinity got $3 million. That is, the rich category 1 schools—the old schools of most of the government frontbench—will receive $200 for every $1 going to state schools. What a differential. The less wealthy private schools, like Catholic schools—

Mr Nugent interjecting—

Mr SAWFORD—You are very sensitive over there. They also fare very badly in comparison with the category 1 schools. They will receive just $1 for every $12 going to the rich schools. You would not want to be a Catholic under this government. And this refers only to public funding. Private schools also have an income from fees and from the often massive donations from wealthy people with prior or current associations with the schools. In contrast, one of our local public schools considers a fundraising event yielding a few hundred dollars to be a great success.

There has always been a massive gap between the facilities and opportunities available to students attending wealthy private schools and those available to the 70 per cent of Australian children who attend public schools. What a great political strategy: you kick dirt into the faces
of 70 per cent of Australian families, you are actually giving them something when you are giving them nothing and you reward one per cent of the private school population while kicking dirt into the faces of the other 99 per cent. And the coalition wonders why it is in trouble. Has the government attempted to close the gap? No, it just widens the chasm. Teachers in public schools and the low fee private schools do a fantastic job with limited resources, and they deserve support. But the government shows nothing but disrespect for them, their students and their parents.

The Prime Minister may have thought his backflip on petrol would save him. Unfortunately for him, it has turned out to be a bellyflop. However, petrol is just one thing the electorate is angry about. The education funding issue is of even graver concern in the community. The Findon High School council, in my electorate, unanimously condemned the federal government’s school funding arrangements, saying that the provision of a high quality public education for all is now severely under threat. I call on the Prime Minister and the Treasurer to revisit this disastrous policy and try again, this time with fairness and equity as the touchstone.

While I am discussing backflips, I call on the Prime Minister to do a full backflip—perhaps he could do a pike with it as well—on research and development funding, not the half backflip he has offered so far. Since 1996, the government has taken $5 billion out of universities and research and development and has now announced it is putting just $2.9 billion back. I suspect, though, that the Prime Minister’s backflips will not save him or his backbench. Judging by calls to my office and by conversations with people in electorate, the voters are not in a forgiving mood. Perhaps some tax has come off petrol and perhaps some money has been put back into research and development, but the mood of the electorate is that it is too little too late. People know that the government has for years cut welfare services, job training programs, hospital funding, education funding and support for Medicare, particularly out in the regions. Every noise the government makes now, aimed at patching over those cuts, is treated by the electorate with the great scepticism it deserves.

Similarly, people know that the government has poured massive amounts of money into the rich end of town. They know that big business and some very wealthy individuals have done extremely well under this coalition but that the average person is much worse off. They know that much public money has been redirected from public hospitals and health care services to the private sector, via the rebate and other measures, and that our basic health care services have been run down. They can follow the money trail—they are not stupid—from public education to private education, from public institutions to private pockets, and they can see that the high student retention rates of a decade ago are disappearing, as too many children now leave without any worthwhile qualifications and without any real job prospects. They all know someone—perhaps someone in their family, a neighbour or a friend—who has lost their job in midlife and who has witnessed the government’s cold indifference to their plight.

Most of all, people are now aware that the government has been asleep at the wheel. The economy is stalling, the dollar has collapsed and our national debt is careering out of control. The economic credentials of this government were always lousy, consisting, as they did, of a GST and not much else, and now the chickens are coming home to roost. People know that the current downturn, the record debt and the downward spiral of the dollar are the price that must be paid for the government’s failure to maintain proper funding and other support for education, research, training and jobs. Most of all, people now see the GST as the unfair tax that it is.

The pattern of preference of both the federal and state governments is clear, and the signs are there that no number of backflips can save this Prime Minister. What people want now is a return to fairness and a return to the provision of adequate public services. They want governments to provide quality public health care, they want quality public education, they want...
to know that there is a nursing home bed available for their parents when the time comes and they want governments to show care and concern for people who are in need of assistance. Most of all, people want an end to any policy which serves to increase the rich-poor divide in our community.

People are fed up with seeing our country falling apart at the seams, with the dislocation of joblessness, inadequate health care, run down schools and a new tax on just about everything forcing prices even higher. They are fed up with government sell-offs of public utilities to the big end of town and then being faced with soaring bills for these services. I could also add the demutualisation of mutual societies in this country, which is an absolute disgrace, but perhaps I will address that at another time. They are fed up with the failure of governments to provide basic infrastructure such as sufficient electrical power. The series of blackouts in South Australia has caused enormous frustration and financial loss, especially for small business. California, here we come.

They are fed up with the failure of governments to make a real effort to solve the unemployment problem and to halt the damage that underemployment is causing to our community. They are fed up with political stunts like the Work for the Dole scheme, which has proved to be next to useless in providing long-term opportunities for the jobless. The recent report by the Standing Committee on Employment, Education and Workplace Relations, Age counts, shows there is an enormous problem in this country with unemployment and underemployment. The epidemic of joblessness is causing serious damage to the fabric of our community. Every day it is ignored, the worse is the damage.

The lack of opportunities for employment and training for people who find themselves out of work, especially in midlife, is having a devastating effect on families and communities. But, because the problem is largely hidden and mainly concentrated in the poorer suburbs and regions, the government has not shown the slightest interest in tackling it. All people need to feel that they are valued members of the community. To provide the opportunity of paid work is the best way that this can be achieved. If governments fail to provide the necessary opportunities, then the personal damage to the jobless and the longer-term damage to the community will be much higher in the end. I call on the Prime Minister, the Treasurer and the coalition to make yet another backflip and recommit to job training programs and the creation of employment in this country. Perhaps they also could look at overemployment, because there are many people in this country who are overemployed—they are working far too long, they are under pressure and they are frightened that if they do not work those hours they will lose their job.

There are lots of maladies in our society, including illnesses and depression, which is at such a level in this country it is frightening. I have always believed, with regard to a lot of human maladies such as poor health, psychosomatic illnesses—which are very real and cause real pain—depression, alienation, anger, drug and alcohol abuse and the break-up of families, that if you give the person the dignity of a job then most of those maladies disappear. People in our society build their image, their self-esteem, around employment. That is how they identify themselves. It is no good saying one thing and meaning another.

In the last 20 years we have listened to the philosophies of economists. Well, I can tell you there is not one economist in the world that has any philosophy, because they are not trained in philosophy; they are trained to give financial options to governments. But what has happened around the treasuries of the world, in the Reserve in the United States, in the chancelleries in the United Kingdom and in Europe, is that economists have conned people in government, people like me, the Deputy Speaker, the member for Newcastle and the member for Hinkler. They have conned us over the last 20 years that they actually have a philosophy in terms of what a country ought to go to. They never have. I have never met an economist with
a philosophy. Why would you be surprised? They are not trained that way. Yet we have been falling for the promotion of failed Treasury policies forever and ever. It is time it stopped.

Mr ALLAN MORRIS (Newcastle) (11.42 a.m.)—In the past few days we have had a couple of anniversaries. We have seen the fifth anniversary of the election of the current Howard government and, of course, the 18th anniversary of the election of the first Hawke government. So this is a time to perhaps consider future anniversaries and landmark issues.

This government has been marked by two key characteristics. The first one is its politicisation of the process of government. We saw that very much in the early stages, when we saw the blackguarding of the previous government and the distortion of figures in a most extraordinary way to create artificial perceptions of the national economy of the day. We saw the peremptory dismissal of a string of public servants, particularly the six secretaries of departments who were dismissed without explanation and without justification in the first few weeks of the incoming Howard government. And we have seen this politicisation in dramatic form in more recent times with the massive waste of money on government advertising programs to promote a tax and to falsely present its own credentials. Whether it be on the natural heritage program or various other government programs, we are still seeing massive expenditure on advertising.

We are also seeing the politicisation of the Public Service. Increasingly, now, my staff—and, I understand, my colleagues—are being told by public servants that they have been told not to talk to opposition members and that they cannot discuss policy matters or what they are doing. They can only talk about constituent complaints; not about what the policy is supposed to do to clarify things, which is obviously fundamental in dealing with anomalies and with people who are having difficulties with the government.

Then there has been the dividing up of the Public Service into separate departments. The great irony last year—and I found this really quite fascinating—was that the Australian Taxation Office was retrenching something like 1,000 to 2,000 people while at the same time creating a new GST unit. But they could not transfer officers from one area of the department to the other. The tax officers who were being retrenched from the ATO were required to apply separately and individually for positions with the ATO’s GST unit. In other words, the ATO were not going to have the same people; they were trying to make changes not just within government but within departments.

So the separate pay systems for public servants in different departments, which were being negotiated under individual contracts, would remove the potential for a public servant to transfer within government, from department to department—and that had been the norm, not just in this country but certainly in the UK. The Westminster model that we came from has an independent civil service serving its political masters regardless of their persuasion but also being, to some degree, responsible to the parliament—and to both sides of the parliament. That has all been chopped up in both the contraction of the Public Service and the cellular nature, if you like, that has now been established—the compartmentalisation of the departments so that people can no longer transfer from department to department.

In fact, it is quite difficult now. If you get a person in Comcare who once worked in Veterans’ Affairs and you try to establish what their wage would be if they were still working there, in terms of their compensation payments, there is no uniform wage; there is no parameter. In theory, each individual now has a separate wage—no more do you have situation where an ASO4 or an ASO6 in Veterans Affairs would have earned so much. A particular case that I am dealing with involves a young woman who was a nurse in Veterans’ Affairs. It is virtually impossible to establish precisely what her equivalent salary would have been now, from the time when she was injured. In fact, you cannot be precise; you can only make some form of estimation and try to argue that.
So that breakdown has been quite important to this government’s political agenda. We have never seen such a shift of both the funding—or spending patterns—and the structural systems to achieve a political purpose. A move towards the American system—with the change of government you get a complete change of all the key personnel—is obviously this government’s agenda. It is not in this country’s interests. The Westminster system requires a separation of the civil service from the government to a sufficient degree that the civil service is seen to be objective and to provide professional and objective advice. It is ironic, because this government is conservative and the Westminster system is a conservative system. It is normally more supportive of conservative governments, because, with a continuing, independent civil service, it is much more difficult to have dramatic change. So the Westminster system has been traditionally a conservative model. This government, the members of which are radical conservatives, is actually ripping up the system. I find that particularly interesting, but, more importantly, I find it very damaging for the longer term.

The second strand which has been so interesting and so important—and which I think the history books will be able to cover in more detail—has been the shifting financial relationships within this country brought about by this government. If you go back to the 1996 period, you will remember that we had that massive deficit nonsense—all that rubbish about how the economy was. The Prime Minister said that, in parts, the economy was very good—the cu-rate’s egg kind of example—and it was, with a number of factors trending in the direction you would want. There was very strong growth which has continued for the last five years. On the one hand he was saying that but, on the other hand, at the same time we had those massive cuts in budget and there were budget distortions.

Let us go through some of those cuts. We had a $500 million—half a billion—cut in funding for aged care, for nursing homes. Half a billion dollars over four years was cut in that 1996 budget. We had an $80 million cut in funding for Home and Community Care, one of the most important programs we had which was bipartisan. On both sides of the House we were all very supportive of giving more and extending and expanding our Home and Community Care service for those who wanted to age at home. This government cut that by $80 million in the budget of 1996.

There was a cut of $200 million for dental services. That was one of the nastiest criminal exercises that this government has undertaken—a cut of $200 million in the forward estimates for dental services for people who are on benefits. We all know how many people have been waiting for two, three or four years for access to dental services. There was the massive blackguarding of the R&D system—the so-called syndicate rorts. The government created a straw man in the form of these syndicates which, I agree, had some anomalies and things that needed correcting, but rather than correct those, it destroyed the system altogether. We have seen this massive downturn, against all world trends and our trends for the previous five years. Business research and development has gone into serious decline, and it has stayed that way. There were also the massive cuts in Working Nation, particularly support for the long-term unemployed in getting back into the work force. Effectively, there was a substantial cut in health. Remember those cuts to state budgets? The states’ biggest expenditures are on health and education. Those two areas were hurt seriously by this government in 1996.

So we had all those massive cuts in the name of this so-called black hole, which we know was a furphy, and which government members know was a furphy. That was the first year of radical conservatism. Where did that all go? Let me tell members where it ended up. All the money that was saved was given out last year in tax cuts, half of which went to the top 20 per cent of taxpayers—not to the unemployed, not to the pensioners, not to people on lower incomes. The majority of those cuts have now been spent in the form of assistance to higher income earners in our community—a tremendous shift in the application of government resources.
Whatever else the history books say in the future, one thing that will be very clear is that there has been a substantial shift in how this country taxes its workers and how it distributes the results of that taxation. Nothing has been more dramatic than the events surrounding the GST. We had the massive campaign, costing half a billion dollars, to promote a tax which is regressive, cumbersome and a discouragement particularly to micro businesses to be more active. In Europe, it is increasingly seen as a soul destroying and suffocating tax on economic growth. The offset of tax cuts and benefits went essentially to high earners and large companies.

Think it through: large companies invest their cashflow each night on the money markets. The big companies are actually making money on the GST by having their cashflow to play with. The micro businesses—the mums and dads who are running their own businesses—are actually moving further into overdraft. In recent weeks I have dealt with two organisations that were owed between $200,000 and $350,000 by the tax office because of the non-refund of GST they had paid. They were supposed to be paid back monthly. They had put in all their forms and they had been told almost weekly—daily, towards the end—that the cheque was in the mail. In both cases, neither had been paid adequately since July last year. It took four or five months for these people to be paid. The amounts involved were hundreds of thousands of dollars. So these two businesses almost went bankrupt on the basis of this government’s policies and procedures and the non-rebating of their GST payment.

Amongst all that, this government has been blessed with good fortune in another sense. We see the attempt to pick the eyes out of what is happening. The strength of the Australian economy has been in many ways surprising to many commentators, myself included. The reason is very obvious—the American economy. The American economy has bowled along at six, seven and eight per cent for eight or nine years. It has been an amazing circumstance which has puzzled and surprised most commentators. The effect of that was to keep the Australian economy buoyant. If you look at the figures, you will see that we had a downturn in 1997 as a result of that contractionary budget, where the government deliberately contracted the Australian economy with those cuts. It chopped it back earlier in the electoral cycle so it would be over before the election. But, amongst all that, the American economy kept surging. That is why the Asian recession did not have the effect it was feared it would have. It is certainly why the Australian economy stayed so strong. Now the American economy has come to a halt. Guess who is blaming that for the Australian situation? This government.

The government credits our economic strength to its management, not to the previous government—not to all the things that were done, put in train and operational when they came into government—and not to America, but simply to the skills and cleverness of our current Treasurer. Dream on! What has kept this country going has been the American economy, but what has brought that to an end? Westpac said yesterday that the slowdown in Australia pre-dates the American slowdown and it is GST affected. In other words, the government mugged the economy back in 1996 with that massive budget cut which was enormously contractionary. It contracted the economy. It was able to get through that because the American economy’s strength kept us going. It then had a second go last year with the GST, which all the experts are now saying did slow down this economy. The American economy’s slowdown coming in behind that over these next few months is going to have an even bigger effect.

We see today’s figures. The last quarter was a negative of 0.6 per cent. The economy in the last quarter of last year has collapsed in a fairly substantial way. Who is getting the blame for that? America is. This government is mean in a lot of ways but at least you would think they would credit the Americans with some help with our economy. Not at all. And when they are in trouble, they blame somebody else. They take all the credit and none of the blame. Funny about that. They are so clever. How come we have had so many problems if they are so clever? Certainly the attempt to establish their economic credentials is now totally shattered.
For one example, we only have to go back to the Treasurer’s comments in 1995 about foreign debt. He used a figure, which was either amateurish or deliberately deceptive, of $10,000 per person. The foreign debt of $190 billion net equated to $10,000 per Australian. He knows and I know that those figures are very misleading. But on his parameters and terminology from ‘the debt truck’ in 1995 the figure last week was $16,000—a 60 per cent increase. Look at the five-year record: the first quarter of recession in nine years and the first time the foreign debt has exceeded $300 billion. It is now $301 billion. The value of the dollar is drastically low.

I will give people an exercise: look at the web site that lists all the petrol prices around the world for the last three or four years. You will notice that the January and February figures for 1997, four years ago, and the figures for January and February this year are remarkably similar. The actual American cent price per imperial gallon is almost identical for the month. What was the petrol price back in 1997 in Australia? It was in the 70s. Why is it so dear now? Guess what? It is to do with currency, not world oil prices. The collapse of the Australian dollar, which the Treasurer now lauds as some clever economic trick, has absolutely destroyed this country’s competitiveness in terms of what it buys. It might be a short-term five minutes of sunshine for the farmers who export on the cheap—getting into cheap exports with a cheap currency—but, in the longer term, the strength of this economy is measured by its currency.

Those who sell the currency down to the disastrously low 51c figure that it is at now are doing us enormous harm in the long term. To climb back from that to the 70c or 65c where it would normally be is going to be a long, hard haul, and there will be a lot of pain through that haul. We have the Treasurer going around saying, ‘This is great. This low dollar is helping our export performances.’ It is also hurting us and the biggest hurt it is doing is on world parity pricing.

Do the check, colleagues. Go and look at that web site. Look at the daily price in Singapore—and Rotterdam as well if you like. They are all there but Singapore sets our prices. Look at the American cents per imperial gallon price from 1997 and look at it now and you will find that it is virtually identical—perhaps there is one or two cents difference. The problem in fact is our currency; it is not world parity. It is the Australian dollar that has destroyed our petrol pricing systems and therefore increased our transport costs, an increase which eventually will feed into our export costs. All that nonsense that the Treasurer is saying about the low dollar helping exports is babble. It is worse than that: it is deceitful and misleading because he knows that the transport costs will feed back in to the cost of exports eventually—it will take time but they will. Then our export costs will go up and the dollar will still be down. A Labor government will have an enormous task ahead of it in the years ahead to rebuild world confidence in our economy because this government—in five years—has destroyed it.

The mark of the world’s judgment of your country economically is how it values your currency. There is not one Treasurer who has collapsed our currency in the way that the present one has, nor any previous government. The record low of business research and development is another terrifying figure. It took us years to get business to start investing in R&D and we started to really get somewhere: it was really starting to move along. But since 1996 the decline has been quite dramatic and disturbing.

The government now is in recovery mode: it is rushing around the place absolutely panic stricken. It is not driven by good economic policy or national interest but by the absolute desperation of a lot of parliamentarians who are in their second term and who will not get the parliamentary pension that we hear so much about because they will not make a third term. That is what is driving this government: the pension paranoia of a lot of two-termers who will not make a third term. Just watch those two-termers in the next few months, because their paranoia and fear will get even worse. That is what is driving economic policy. The reversal
in R&D will not work in the way that the government thinks it will. There is a lot of rhetoric out there to try and calm down the electorate, but it will not solve the problem because it does not address the real issues.

The shift in petrol excise is nonsensical because it again avoids the real issue. With regard to talking the dollar down—as the Treasurer has done by saying, ‘This is terrific’—if the world marks you down and you say ‘wonderful’, what does it do then? It marks you down some more. It is trying to give us a message; the Treasurer does not want to accept the message, so he denies it. Whilst ever he is in denial the world will keep on marking down our currency and, therefore, for our economy, our country and this government it will be down, down, down.

Mr WILKIE (Swan) (12.02 p.m.)—All Australians who are receiving government financial assistance should know the issues that I wish to discuss with the House today. It is both shocking and offensive that this government has sunk to a new depth of small-mindedness and mean-spiritedness. I speak of its clawing back of the two per cent payment made to the age pension and the effects of this clawing back upon all social security benefits.

When the GST was introduced in July last year, pensioners were provided with an initial four per cent increase to their income to accommodate the increase in the cost of living. The pension is adjusted in March and September pursuant to the CPI adjustment or male total average weekly earnings. However, this financial quarter, the age pension will not be adjusted according to the CPI but in an arbitrary fashion because the government has decided to renege on its election promise.

The government has decided, because it considers the impact of the GST upon the fixed income age pension was not four per cent but in fact less, to claw back two per cent by reducing the quarterly CPI adjustment by two per cent to prevent double-dipping. I cannot believe that the government would think that clawing back two per cent is necessary to avoid double-dipping by those most in need of our assistance.

Many commentators and experts in the area consider that the four per cent was, in itself, not enough to compensate for the increase in the cost of living generated by the GST in the first instance. As I have said before, the government have hit people with a 10 per cent GST and then raised the pension by only four per cent; now they are going to claw back part of that because they think that they are giving pensioners too much. It is just absurd. Last week, the shadow minister for family and community services highlighted this. Where is the equality in the GST when millions of people who struggle to earn less than $500 a week have to pay exactly the same price for goods and services as people who earn $100,000-plus per annum?

This dichotomy is further highlighted by the fact that the government has given with one hand to those who most need help and then taken with the other, whilst self-funded retirees continue to enjoy tax breaks. I am not averse to self-funded retirees having tax breaks, but surely we should look after the people who are most in need. What is most offensive is the deceitful manner in which this clawback has been accomplished. While it is acknowledged by the Labor Party that the implementation of the new tax system is a big and detailed task, the manner in which this government has implemented this change has been sneaky and sly.

I have looked at the information that was provided to the public regarding this issue. Despite the government’s assertions that it told pensioners about the March 2001 adjustments, no such information was contained in any material circulated to pensioners before the 1998 election. I accessed the Australian Tax Office web site on 6 February 2001 and looked at the section on how the tax system will benefit aged and other pensioners. I was not surprised to find that the government still fails to mention the clawback of the two per cent.

Mr Michael Raper, President of the Australian Council of Social Service, aptly discussed this issue in an interview last week. He claimed that, although the government mentioned in
the fine print that this may occur at the time of GST implementation, there was too much detail and information to allow pensioners to fully understand the consequences. In fact, the Council on the Ageing holds the view that the government was ‘loose with the truth’ when it sold the GST to the public with a four per cent increase, which was to be clawed back by two per cent after the event. The time frame for this deception lasted less than nine months. It is deceptive to implement it when pensioners are due for a CPI increase.

Mr Howard was hoping that pensioners would not notice, but two per cent for pensioners is an enormous amount because many of them are struggling to live on the pensions that they receive. I can assure the Prime Minister that they have noticed. It is going to make a difference to their living expenses and to the way that they vote in the coming election. My electorate office has been inundated with inquiries from people affected by this change and these people further inform me that, since the GST, little luxuries have disappeared. The burden of this tax has primarily hit low income earners and the most vulnerable, such as our age pensioners. Pensioners who might enjoy a Tim Tam with a cup of tea or a coffee have found that they now cannot afford to go out and buy those little luxuries.

Mr Neville—But the price of Tim Tams has come down.

Mr WILKIE—But they still cannot afford them because the income that they are receiving is less in real terms. So, even if that was the situation, pensioners still do not have the income to go out and buy them. They have cars that sit in garages because they cannot even afford to put fuel in them to go to the shop and make purchases. It is highly unacceptable that these sorts of situations occur to those most in need, and it is largely a result of the government being loose with the truth and not telling pensioners what the real impact was going to be in the long term.

The gap between the haves and have-nots in Australia is more prevalent now than ever before. There is little doubt that the gap between the rich and the poor is getting wider, and this is evidenced by the fact that almost 2.4 million households rely on government assistance. The arrogance of this government is no more clearly displayed than by the example of this clawback. This government considers that the pensioners should be eternally grateful because of the one-off increase of a meagre four per cent. Whilst the average wage and salary earner received an income jump of eight per cent over the past two years and business owners and self-funded retirees received an increase of 14 per cent, on average, the government has thought, ‘Wow! We have given our pensioners four per cent.’ To further add insult to injury, this mean-spirited government is now clawing back half of the once-off payment.

The whole philosophy of this legislation is disgusting and offensive in light of the benefits that big business gains. To treat elderly Australians in this fashion is both revolting and inhumane. As highlighted again by the shadow minister for family and community services, when it suits the government to collect more taxes, it is happy to hike petrol excise by the full inflation figure. We have seen recently what has happened with excise because of a by-election. I think it is fairly plain to most people out there in electorate land that the government says, ‘We’ve got a by-election coming up. We better do something because we’re in a mad panic mode now and we’re going to lose, so we’ll try to bribe people with a 1½ cents per litre cut and hope that it will pay off.’ It had quite a dramatic impact. I am sure that pensioners will be really happy to receive 1½ cents per litre; it will have a huge impact on them when they are now only getting two per cent! I think they are still going to have quite a lot of difficulty filling their tanks. When it suits this heartless government to pay out less to the elderly, it is happy to discount the inflation figure that increases pension payments. This government thinks that pensioners are double-dipping, and that is a disgrace.

My final point is that the government has justified this clawback by stating that they ‘would be loath to provide a windfall to pensioners’. They consider it a danger that pensioners
could be double-dipping into the government coffers. They believe that pensioners have been overcompensated for the effects of the GST. The official Australian Bureau of Statistics figures show that inflation was four per cent from June to December 2000, yet pensioners are only going to receive two per cent of this increase. What most troubles me about this clawback is the basic belief of this government that pensioners should in no way be overcompensated when we know that the CPI has not accurately measured the cost of living increases due to the GST, therefore making meaningless the assertions about the pension staying ahead of CPI figures.

Other Australians affected by this clawback are those reliant upon social security allowances as opposed to pensions. These people, who presently receive $40 less than age pensioners, will be affected by the two per cent clawback as it will affect their pharmaceutical allowance, parenting payments, telephone allowance and unemployment benefits.

The adjustment by this government is the clearest example of how the government views Australians. For those that can afford the luxuries of life there are no worries, but those who are struggling—forced to subsist on a fixed age pension—should look out, because this government will be looking at other ways to place the burden of this tax upon them. As I stated in my maiden speech:

There is no doubt that, for Australia to be internationally successful and competitive, it must reform and progress in a number of ways. However, for Australia to achieve this reform in a successful and unifying fashion requires this progress to be implemented within a framework of opportunity and social compassion that ensures that those who are most disadvantaged by change are not forgotten.

This government has not only forgotten the disadvantaged; it has abandoned them. That is why there will be a change of government at the end of this year.

Recently in the House, the Leader of the Opposition likened the Prime Minister to Baldrick from Blackadder. I am reminded of an episode of Blackadder when the White Adders were coming to dinner. Blackadder said to Baldrick, ‘Baldrick, here is the last of our money. We have the White Adders coming for dinner and I want you to prepare a feast. We’re going to have a wonderful feast for the White Adders. We need to impress them—there is an inheritance on the line here.’ Good old Baldrick raced off to the markets and came back a couple of hours later happy and excited. Blackadder said to him, ‘What have you got, Baldrick?’ And Baldrick pulled out—you guessed it—a big turnip. Blackadder said to him, ‘Baldrick, you’re fired. That’s it. We needed a feast and you come back with a turnip.’

I believe that there is a real analogy here between what has been happening with Blackadder, Baldrick and the White Adders coming for dinner and the Treasurer, the Prime Minister and their responsibility to go out and provide for the Australian people and to come up with something worth while. In the time they have been in government, they have been sent out to achieve this worthwhile aim and what they have come back with is a turnip. They were sent out to do the right thing with tax; they came back with the GST. We know the impact that has had on community, particularly those who are most disadvantaged. We have now seen them try to sort out business tax and they have come out with this wonderful initiative called the BAS, the business activity statement. We have seen what that has done to the small business community. We have seen them promise $1,000 to all our pensioners and aged people by way of a bonus—and they never received it. In fact, I do not think they even got a turnip in that area.

We have seen high fuel prices, mean-spirited industrial policy and bank closures right throughout our suburbs and our country areas. We have seen Medicare offices close. I have lost a number of those in Swan. We have seen the loss of employment and training programs. In my electorate we had a number of skillshares providing tremendous services to the unemployed. All four of the services that were there are gone, plus a whole raft of others. We have
now seen Work for the Dole being introduced for people with disabilities. We have the minister for employment getting up and crowing about what a wonderful program it is, but not being prepared to give the actual figures because, even though it is a program that comes under that portfolio, it is not even treated as an employment placement program because the outcome figures are so poor.

Certainly, the government was sent out to do something worthwhile for the Australian people. In my opinion, you can liken them to Baldrick; they came back with a turnip, and it was not even a fresh turnip. It was a turnip that was old and sour and that could not even be eaten. Later this year the Australian people will get their opportunity to send our Baldrick on his way. I am sure they will take that opportunity to get in a decent government that can go out and feed them and look after them properly.

Mr GIBBONS (Bendigo) (12.17 p.m.)—During this appropriation debate I would like to highlight some of the problems we have experienced in my electorate of Bendigo. I sit in question time every day parliament is sitting and every day the Prime Minister and the Treasurer are on their feet extolling the virtues of their fiscal management of this country. In fact, rumour has it that they are the Rolls Royce team in financial management. I would like to issue an invitation to both of them to come to my electorate of Bendigo and to visit places like Korong Vale, Dunolly, Wedderburn, Inglewood and Bridgewater to see how the people are faring under the weight of the policies that this government is arguing for. Poverty is dramatically on the increase in those areas as well as in Bendigo. I do not believe any government can claim to be successful economic managers until they have done something positive to start to address the problem of poverty, because poverty is increasing dramatically and this government’s policies are actually worsening it.

I would like to talk about the fuel prices. We have just witnessed the biggest farce in the government’s handling of the GST and fuel tax. Last week the Prime Minister backed down from his rigid opposition to giving motorists relief from the fuel excise and GST. The Prime Minister crowed that he now had found the essence of political wisdom and financial management to cut 1.5c off the excise on petrol. I stress that this is a cut of 1.5c on the excise, not on the GST. The GST still stands. In fact, the government’s backdown over fuel excise has left the GST on petrol virtually untouched. In the Bendigo district, before the government’s backdown the GST on a litre of petrol at a number of outlets was around 8.7c a litre. Since the backflip, Bendigo district motorists have had just one-fifth of a cent or, to be precise, 0.2c removed from the GST on petrol. They are still paying around 8.5c a litre in GST. Therefore, motorists who were previously paying around $5.22 in GST for a tank of fuel are now paying $5.10 in GST, a reduction of around 12c per tankful. That is the reality of the government’s backdown in Bendigo.

I note in passing that, before the government’s fuel tax somersault, I would have estimated that the GST on petrol would have cost motorists in the average federal electorate, including Bendigo and Hinkler, around $10 million a year. That is just on petrol; it does not count diesel, only LPG, super or unleaded fuel. Following the government’s panic to cut excise, that figure remains barely untouched.

However, we now have an even greater farce from the government. The Treasurer is now demanding that the state governments do what he would not do. Remember, this is the Treasurer who said for months and months that there would be no backdown or relief on the price of fuel. He had to be dragged kicking and screaming all the way. He now wants the state taxpayers to foot the bill for what would be, in effect, a massive roll-back of the GST on petrol. He wants the states to contribute five times the amount that he was somewhat reluctantly prepared to do—1.5c a litre from the Commonwealth. He is now demanding that the states commit up to five times that amount when he did not want to commit a cent.
Let us ignore the fact that it is an administrative nonsense. Victoria has no power to collect fuel tax and it has no power to reduce it. Let us note that what he is, in effect, advocating is a massive roll-back of the GST on petrol, the cost of which will be borne by the Victorian taxpayers. Let us note that he is demanding from Victoria a fuel tax cut that is more than four times the cut he has made—6.6c versus 1.5c. Let us also note that, where the GST on fuel is 8.5c, a cut of 6.6c would be the equivalent of a cut of over 75 per cent in the GST on petrol.

This is the GST on petrol that was never going to happen, remember. We are talking about figures now that really should be hypothetical. This would be a roll-back of enormous proportions if it happened, yet he is asking the Victorian taxpayer to pay for it when his own government created the whole GST jungle in the first place. Moreover, it is the GST that the Treasurer and Prime Minister regard as their finest political creation and that they hope will be their lasting legacy.

Mr Wilkie—It will be their last legacy.

Mr GIBBONS—Yes. The GST was not created by the state of Victoria or the people of Victoria, so why are they being told to pick up the tab for easing the ferocious burden it is creating for motorists? It was not the Victorian government but Canberra that picked up the huge windfall in petrol taxes from the high international price of oil, and it was not the Victorian government but Canberra that promised, falsely, that the GST would not increase the price of petrol. Obviously what has happened is that the Treasurer has recognised that his fuel tax backdown has been a dud with motorists and he is trying to pass the buck, if you like, over to the states.

I would also like to express my concerns, and those of my electorate, over the government’s failure to understand the needs of country and regional people. We have talked about the GST on fuel, for example. There is another windfall that this government has gathered in. I am referring to the windfall they are getting on the price of a pot of beer. The national average price of a pot of beer over the counter before the GST came in was around $2.10. Excise in August last year pushed this to $2.30. In the Bendigo district the average price, including excise, of a pot of beer is $2.50. Once again, this government promised that the GST would have little effect on beer. That is another promise that has been broken and Victorian battlers are paying the penalty for it.

In respect of petrol, Australians on average use 50.6 million litres of leaded and unleaded petrol; and they use 36.3 million litres of diesel and around 5.2 million litres of autogas each day. A basic calculation using these figures shows that motorists in each Liberal, Labor and National Party federal electorate are paying just under $60,000 a day, or almost $20 million a year, just in GST on the fuel. An average of today’s fuel prices divided by the federal electorates in Australia produces these startling figures. We have seen what has happened to the governments in Western Australia and Queensland. I suspect we are going to see this happen to them again in Ryan in a couple of weeks. It is the impact of the GST and these exorbitant prices that people are paying for fuel which is causing the Australian population to desert the coalition in large numbers.

We had the ambassador for goodwill and public relations in Bendigo just recently—and I am referring to the Minister for Forestry and Conservation—who had some very interesting things to say about fuel. For example, the Bendigo Advertiser during that visit reported the Minister for Forestry and Conservation, Wilson Tuckey, as saying that the federal government did not want the state government to get their ‘sticky fingers’ on road funding and therefore had sent the money directly to the local councils. It went on that, in defending the government’s stand on fuel excise during a trip to Bendigo, Mr Tuckey said that there was no guarantee that the benefit would go to consumers if this excise was reduced.
Here we have a direct contradiction because the Treasurer has already said in parliament that he would happily write a cheque for over $400 million for the state government in return for the state government doing a roll-back on his GST on fuel. Yet his minister does not want the states to get their grubby or sticky fingers on the money. So there is a complete contradiction. That is obviously what we have come to expect from the minister for conservation and bad news.

On fuel again, we are still footing a big GST bill, even with the 1.5c cut in the government excise. We are still paying dearly on the GST. Today in Bendigo unleaded petrol is selling at 93.9c per litre. That has attracted an excise of 39.6c, and we are still paying around 7.5c in GST. After the 1998 election, we suddenly discovered that there was huge cost to taxpayers in sheltering country petrol prices against the effects of the GST. In last year’s budget this was revealed as being $500 million over four years. This has now blown out to nearly $900 million—a staggering 80 per cent increase in the cost to taxpayers. National Party leader, John Anderson, admitted this on Landline on the ABC on Sunday, 25 February. Do we know whether this will work? Country people are paying more in GST on fuel than city people, and the government has given no evidence that it has eased the big gap between country and city prices. We have seen the Treasurer trying to shift responsibility onto the states.

One of the other reasons that the government are on the nose, to put it bluntly, in my area of Bendigo is that, while they have been extracting and ripping off these huge amounts of tax—taxes that they said would never apply—they have actually run away from a commitment to fund the duplication of the Calder highway. The Calder highway is the major road stretching between Melbourne and Bendigo, and it goes right up to Mildura. There was a commitment by the Bracks government to complete this duplication by the year 2006, and the Howard government are running away from it. In fact the government are walking away from even maintaining an existing commitment to this road funding.

In answer to a question on notice referring to the status of the Calder highway, asked by the member for Batman on 20 June 2000, the National Party Deputy Prime Minister and Minister for Transport and Regional Services said that the Calder highway was a state arterial road and the responsibility of the Victorian government. As I have said in this House before, the Deputy Prime Minister is wrong. The Calder highway was proclaimed a national arterial road by the former Minister for Transport and Regional Development, Mr John Sharp, on 3 June 1997. In fact the sign erected a few kilometres south of Kyneton states clearly that the Calder is a road of national importance. So this Liberal-National coalition government is not only content to sit by and gather in huge windfalls of petrol and beer tax—paying back a miserable 1.5c in excise—it is now trying to slime out of its obligations to fund current works on the Calder highway, leaving the Victorian state government to go it alone.

Given the Ryan by-election we are going to experience in a couple of weeks—and today I see that there is a poll out which shows the coalition government polling around 30 per cent in most places—I often wonder what the Prime Minister will do after the next election. He has already indicated that he will probably retire after that election no matter what happens. I suspect the electorate will probably retire him. I was thinking: what would you do when you are a coalition Prime Minister who is about to be voted out of office with an overwhelming swing against you? I notice that my colleague the member for Swan referred to his favourite program, Blackadder. I suggest that the Prime Minister might be able to get a job as that wonderful character, Jim, in the remake of the Vicar of Dibley.

Honourable member interjecting—

Mr GIBBONS—You all remember Jim in the Vicar of Dibley—thank you very much, colleague. He is the fellow who always answers questions in the negative first before reverting to the positive. So I guess it would go like this: Prime Minister, will you be backing away
from your commitment to tax family trusts? No, no, no, no, no, no, yes. Prime Minister, will you be backing away from providing relief on fuel? No, no, no, no, no, no, yes. And, Prime Minister, will you be backing away from modifying the BAS statement to make it easier for small business? No, no, no, no, no, no, yes. That is what the Prime Minister can look forward to when he finds his new occupation as a result of being dumped by the people of Australia at the next election.

Mr GRIFFIN (Bruce) (12.30 p.m.)—I rise today to talk about a number of issues pertinent to the way taxpayers’ dollars are spent, in particular the secrecy and lack of transparency that seem to have become a hallmark of this government’s operation.

This is a serious issue under most circumstances, but the examples I will give are all the more serious because they relate directly to processes and decisions that directly affect the health and safety of the Australian public and the protection of our environment. The three areas I will cover relate to the responsibilities of a medical body and two regulatory authorities which are funded overwhelmingly by the Australian public: the NHMRC, the Therapeutic Goods Administration and the Australia New Zealand Food Authority.

Let me start with the Therapeutic Goods Administration, more specifically with one of its branches, the Interim Office of the Gene Technology Regulator. The IOGTR should be well known to this House not only through the recent debates and discussions on the Gene Technology Bill 2000 but also because of its ongoing incompetence in matters relating to the monitoring and reporting of breaches to guidelines and conditions covering genetically modified crop trials. The House of Representatives Standing Committee on Primary Industries and Regional Services said in its 2000 report on primary producer access to gene technology:

... The committee was very concerned to hear allegations earlier this year that Aventis ... trials of herbicide tolerant canola in the Mount Gambier area of South Australia had breached GMAC guidelines. It is even more worried by the manner in which the IOGTR has investigated the alleged breaches, particularly its tardiness in completing its investigation. The IOGTR began its examination of the allegations on 24 March 2000 and, as at 18 May, the results of this examination had not been forwarded to the Minister for Health and Aged Care, let alone been publicly released.

The report went further in criticising the IOGTR and warned of the need to improve its processes. It stated:

A more prompt, open, transparent approach must be taken to breaches of guidelines. It is essential that the IOGTR act more efficiently and effectively than the IOGTR have been able to if it is to reassure the Australian people that their interests are being strenuously protected. If this does not happen, public confidence in GMOs and their regulation will be badly prejudiced.

That was in June 2000. Let us have a quick look at the IOGTR’s record of transparency since then. On 25 July 2000 the media—which, by the way, was also responsible for alerting the public to the breaches in Mount Gambier—revealed that a major breach by Monsanto had led to the mix-up of 69 tonnes of genetically modified cotton seed with conventional seed. It was left to the Senate Community Affairs References Committee to uncover what actually happened in its questioning of the IOGTR and Monsanto on 25 August. It was only under that public scrutiny that the public was able to discover that, while the company had informed the IOGTR of the breach on 21 June 2000, it did not supply written details to the office until 13 July and that Monsanto had no way of knowing where the contaminated cotton seed had ended up and admitted it could be in the food chain. During questioning of the IOGTR, Senator Forshaw made a couple of pertinent comments on the lack of transparency surrounding its investigation of the Monsanto incident. He said:

Would you concede in this area, given the degree of public focus and concerns about public safety and health and so on, that it is not desirable to have a situation where it could at least appear on the surface that inquiries are being media driven? In other words, you have got to have a situation where the regulatory authority is able to react quickly rather than to be seen to be following the media story. ... the
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issue also goes to the question of public transparency in the process. If the media are able to get hold of
the issue and release the details, the danger is often that the issue will be overtaken and the cart might
be driving the horse.

So that was July. Turning to yet another Senate Community Affairs Committee inquiry that
was held just last month—Senate estimates on 19 February—during the questioning of the
IOGTR Senator Crowley stated:

In the September quarterly report, you had monitored 20 per cent of the field sites during July and Sep-
tember.

To which Ms Liz Cain from the IOGTR replied:

The commitment in the quarterly report is to monitor 20 per cent over a 12-month period. That target
was set in consultation with the states and the territories. Broken down on a quarterly basis, that would
be five per cent per quarter. In the previous quarter—the quarter just completed—we were able to
monitor 11 per cent rather than five per cent.

This statement is in complete conflict with the September bulletin posted on the IOGTR web
site which states very clearly:

During the July-September 2000 quarter, the IOGTR conducted site inspections of approximately 20
per cent of trial sites.

So which is the true figure: 20 per cent given to the public or 11 per cent given to the Senate
Community Affairs Committee?

The IOGTR has responsibility for ensuring that the health of Australians and the safety of
our environment are protected. A major part of this responsibility is ensuring that field trials
of genetically modified crops are conducted within strict guidelines. The inability of this
regulator to report its monitoring activities accurately to the Australian public is a cause for
concern, particularly as the IOGTR’s appalling monitoring record is second only to that of the
Department of Health and Aged Care’s record on nursing homes.

Which brings me to the IOGTR’s next debacle that has made headlines in Tasmania and
across Australia. It plainly illustrates that the IOGTR has not learnt anything since its dressing
down by the House of Representatives standing committee. According to an audit conducted
by the IOGTR recently, there have been breaches at 11 out of 58 GM crop trial sites in Tas-
mania. Four are reported to be substantial. This information was passed on to officers from
the Tasmanian government on 22 February this year. Since that date, the office has not pro-
vided the Tasmanian government with a full report on the breaches or the audit. In fact, it has
cancelled proposed teleconferences to discuss the issue on at least two occasions. Of most
concern is the fact the IOGTR has refused to give the Tasmanian government the location of
the trial sites. It has been left to the Tasmanian Greens to provide leaked details of 20 alleged
sites, an inappropriate and certainly dangerous thing to do if in fact the leaks are incorrect.

To add to this appalling lack of transparency, the minister responsible for the IOGTR, Dr
Wooldridge, is in contempt of the Senate for not providing information relating to the trial
breaches as requested by a Senate motion passed last Thursday. I call on the health minister to
come clean now and provide the Tasmanian government and the Australian public with all the
information on these latest sets of breaches. The pathetic response of the IOGTR to the public
and state government outcry over this mess is that the Tasmanian breaches, while disappoint-
ing, represented a negligible risk to human health and the environment. What is interesting is
the IOGTR’s comment that there would be full disclosure of trial sites when new federal gene
technology legislation comes into effect in June. What the office did not say is that the only
reason full disclosure will be part of the new legislation is that Labor forced the government
to put it in there. Labor, through its substantial amendments to the Gene Technology Bill, has
ensured greater transparency of process and less regulatory secrecy, and until the new legisla-
tion is in place we will continue to bring these government cover-ups to the public’s attention through every possible means.

Again, the JOGTR is a publicly funded body. Its responsibility is to the public and it must be accountable. The effect of government and regulatory secrecy and lack of transparency is most starkly highlighted in Lord Phillips’s report to the British government and people on the handling of BSE and the resultant spread of the disease to humans in the form of variant Creutzfeldt-Jakob disease.

In the report, Lord Phillips drew the following conclusions. At times officials showed a lack of rigour in considering how policy should be turned into practice, to the detriment of the efficacy of the measures taken. At times bureaucratic processes resulted in unacceptable delay in giving effect to policy. The government introduced measures to guard against the risk that BSE might be a matter of life and death not merely for cattle but also for humans, but the possibility of a risk to humans was not communicated to the public or to those whose job it was to implement and enforce the precautionary measures. The government did not lie to the public about BSE. It believed that the risks posed by BSE to humans were remote. The government was preoccupied with preventing an alarmist overreaction to BSE, because it believed that the risk was remote. It is now clear that this campaign of reassurance was a mistake. When on 20 March 1996 the government announced that BSE had probably been transmitted to humans, the public felt that they had been betrayed. Confidence in government announcements about risk was a further casualty of BSE.

The interim response to this report from the Blair government makes the following points that the Howard government would do well to take on board and put into action. The inquiry report contains a number of key findings in relation to trust and openness: to establish credibility it is necessary to generate trust; trust can be generated only by openness; and openness requires recognition of uncertainty, where it exists. These conclusions are strongly endorsed by the British government. The government recognises that there has been a significant loss of public confidence in the arrangements for handling food safety and standards, in large part due the events surrounding BSE. It is committed to a policy of open and transparent working. The aim is to provide consumers and others with timely, accurate and scientifically based information and advice, enabling people to make informed decisions and choices. The government recognises that its efforts to build and sustain trust through openness cannot succeed unless it is fully prepared to acknowledge uncertainty in its assessments of risks.

One of the recent initiatives that the Blair government uses as an example of its new openness is the appointment of a director of the Consumers Association to the Spongiform Encephalopathy Advisory Committee, the key advisory committee on BSE and vCJD. We have a similar committee that was established by the Howard government, and I commend the government on that move. However, it has again taken Labor senators to reveal the serious weaknesses and the lack of transparency and consumer input that are the reality of this committee. Yet again, answers to questions raised by Labor in Senate estimates have shown that organisations that must be accountable to the Australian public, the taxpayers who pay their bills, operate under a veil of secrecy.

Let me read to you from a *Hansard* transcript of a conversation between Senator Forshaw and a representative from the National Health and Medical Research Council, which is responsible for the Special Expert Committee on Transforming Spongiform Encephalopathy. The transcript states:

Senator FORSHAW—We have representatives from the NHMRC at the table, do we? I will start with them. These are questions in relation to the Special Expert Committee on Transforming Spongiform Encephalopathy-TSE. As I understand it, the minister set up the committee in response to the growing crisis in Europe with BSE. What was the consultation process that took place leading to the appointment of the consumer representative, Professor Trang Thomas, to the expert committee?
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Dr Morris—Professor Trang Thomas is a member of the National Health and Medical Research Council. It was felt that having her on the committee would provide a link with the council, as well as with consumer issues.

Senator FORSHAW—Is her membership of the council itself as a representative of consumer interests?

Dr Morris—No.

Senator FORSHAW—As I understand it, there are a whole range of appointments representing state governments, state ministers, et cetera, and various professional groups. What is Professor Thomas’s representative role, if I can term it that, on the council itself?

Dr Morris—I will have to take that on notice. I know she is not there as a consumer representative.

Senator FORSHAW—Is she on the expert committee representing consumer interests?

Dr Morris—I believe that is how she has been represented. I can check that for you.

Senator FORSHAW—That is what I understand and I am now trying to ascertain what processes occurred and what consultation took place in arriving at the decision to appoint Professor Thomas as representing consumers or consumer interests on the expert committee and, without reflecting on Professor Thomas and her qualifications personally, to ensure that she is there as a representative of consumers.

Dr Morris—In relation to these issues, she is a lay person. Everyone else on the committee is an expert.

This is a complete joke. You have a person on the committee who, by the NHMRC’s own admission, is not there as a consumer representative but is representing consumer interests. And, according to the NHMRC, her qualifications for doing so are that she is a layperson and everyone else on the committee is an expert. One thing we do know about Professor Thomas is that she is a member of the NHMRC—and that is hardly independent.

Of even greater concern is the way in which this committee intends to communicate its discussions, decisions and findings to the Australian public. Basically, they will report two weeks after the group has met, and the public can access the information via the Internet only. Bad luck if you are not online. Apparently, they will also put out a media release. Hopefully, it will be a little more timely than the media release that was sent out some 10 days after their first meeting, on a Friday evening and after media deadlines. Have the government learnt nothing from what is happening in Europe, or are they arrogant enough to think that the Australian public will not be interested and that these are not relevant issues, just as they thought with BAS and petrol prices? They were wrong on those issues and they are wrong on how Australians feel about being kept in the dark on issues that involve their health and safety. The Howard government will hear more about this in the coming weeks as the public debate about changes to the Australia New Zealand Food Authority hots up. I do not want to deal with this issue in depth here; there will be plenty of opportunities to do so in more detail in the near future. But I am putting the government on notice.

Labor has ensured that the legislation this government tried to ram through parliament without any public scrutiny—legislation that fundamentally weakens our prime food safety regulatory body—will be looked at more closely by a Senate legislation committee. Based on the excellent record of our senators in being able to uncover government secrets and to hold publicly funded regulatory bodies accountable, I am sure the public will be interested to see what has been hidden from them this time. This government must be accountable to the Australian public, and that accountability extends to the government’s medical and regulatory bodies that are, as I have said, funded by the public purse. If the Howard government continue to arrogantly ignore this accountability and the need for transparency and honesty, they do so at their own electoral peril.

Mr QUICK (Franklin) (12.47 p.m.)—Appropriation Bill (No. 3) 2000-2001 and cognate bills give all honourable members the opportunity to raise issues that are pertinent to their electorate or their state. Before I concentrate on the major theme of my appropriation speech, I want to mention some of the issues that have been raised by honourable members, especially
those on our side, during this debate. Having sat in the chair you are currently occupying, Mr Deputy Speaker Nehl, I have heard quite a few of these appropriation speeches. People on our side have raised serious and immediate issues that are impacting on their constituents, issues such as the impact upon the Australian citizenry of the GST and its obvious inequity, especially for people on fixed incomes.

If you look at the socioeconomic breakdown of the electorate of Franklin, you will notice that I have huge swathes of broad-acre public housing intermingled with large tracts of rural areas of Tasmania, in the Huon and in the channel, and small middle-class sections. I can tell all honourable members that the implementation of the GST has had an impact, especially on people on fixed incomes—pensioners, sole parents and the unemployed—and, probably just as importantly, on the families who are at the bottom of the wage earning ladder, struggling to keep their heads above water and desperate to try and stay in the work force. Other honourable members have raised that and I wish to put it on the public record as well. In my electorate office and when I am outdoors talking to community groups and mixing and mingling—as all of us do—I have found that the impact is very obvious.

There is also the issue of the impact that the increased petrol price has had on the people I have just mentioned. Believe it or not, like any impact or drain on their budgets when they are almost down to dollars and cents on a Wednesday night before their money is in the bank on the Thursday, this has forced them to readjust their lifestyle. While I was sitting in the chair waiting to take my turn here, I decided that, as a former schoolteacher, I would do a bit of multiplication on that 1.5c a litre discount. I figured out that, on a basic 40-litre tank of petrol, people would be saving 60c. If people fill up each week, they are saving $30 a year. In all honesty, the 60c a tank that these people are saving does not buy them very much at all. I honestly cannot think of what you could buy with 60c. You could buy lots when I was a kid, but you could not in this day and age. So to offer these people 1.5c is a bit of an obscenity and it is not a realistic solution to the impact that the increased petrol price is having on these people.

Another issue that has been mentioned continually on our side is the impact of this government’s education funding on our local government schools. I stand here today as a federal member, proudly wearing my old school tie, which is that of a public school in Melbourne. I feel a bit of a hypocrite because I know that the school where I proudly spent my last school years, the Haileybury College in Melbourne out at Keysborough, is a beneficiary of millions of dollars of funding under this government. As a teacher in the Tasmanian education system before I came up here, I spent most of my life teaching in disadvantaged schools. I know that every dollar that is taken away from the local government school system has an enormous impact, and the main issue that I want to raise in this appropriation speech today has to do with family support, early intervention and community cohesiveness. I think this government has got its appropriation wrong because there are greater priorities.

I guess it is appropriate that one of my colleagues on the other side, the honourable member for Grey, is here to hear some of the things that I am going to raise today, because he is the chair of the House of Representatives Standing Committee on Family and Community Affairs. He and I and 10 others are busy at the moment looking at the whole issue of substance abuse. Despite the issues that I raised initially, they are obvious and are having a huge impact on Australian society. This issue of substance abuse is a real sleeper. It is devastating our communities. It is no respecter of social status. It is at the stage where, unless we do something really innovative and out of the square, we are going to end up with some of the horrendous happenings that we see when we visit places like south-east Los Angeles.

As I said, I am a member of that committee, and the 12 of us—two have been coopted; we were a team of 10 but we now have 12—have been charged with the awesome responsibility of reporting on and making recommendations to the parliament on the social and economic
costs of substance abuse. This is particularly with regard to family relationships; crime and violence, including domestic violence, and law enforcement; road trauma; workplace safety and productivity; and, finally, health care costs. That, in my mind, encompasses everybody in society. It is a daunting task—one that has already taken us 12 months of travelling across this nation. We have taken evidence and seen first-hand the many faces of substance abuse and its impact upon individuals, families and society as a whole. One wonders what sort of society we are willing to accept and tolerate when we visit so many of our cities—as we do in this job—and witness the degradation, misery and personal worthlessness of so many of our citizenry, as these people struggle to exist within the confines of substance abuse.

Over the years, governments of all persuasions have attempted to tackle the problem of substance abuse—licit and illicit drugs—and, sadly, we are failing to address this issue. To my mind, hundreds of millions of dollars have been poured into countless schemes in a futile attempt either to address the obvious social problems festering on our streets or to stem the take-up of drug use by our young people. At the same time these very same governments, both state and federal, reap huge tax benefits from cigarette and alcohol sales to refill their Treasury coffers. Substance abuse, licit or illicit, is not a moral problem for society at large to address; substance abuse, licit or illicit, is a huge social issue that must be confronted head-on by everyone, from the most disadvantaged to the most powerful in our society.

As is the case with cancer or leukemia, substance abuse is no respecter of social status. To ignore its impact on society and hope it will go away and not visit itself upon your family is foolish in the extreme. Likewise, to insist there are simple solutions to this national scourge is naive and totally irresponsible. However, Mr Deputy Speaker, as you and those honourable members who are listening today will realise, so many in our society—I would imagine probably the vast majority—seem to be in complete denial about the issue. It is the old case of, ‘Out of sight, out of mind; it’s not my problem so why should I take any interest in it?’ As I said, it is a bit like cancer and leukemia: you hope it does not hit you personally or your children or your relatives. Substance abuse is one of those things that you do not want to get involved in if you can avoid it. It is a bit like the good Samaritan: you can pass by on the other side. We have been passing by on the other side for too long. To think that it will not happen to anyone in your family and that drug addicts are just those dirty layabouts you sometimes see hanging around the malls is stupid and naive and will result in our having a fragmented society. The cost to society, just to keep a lid on it, is astronomical and will—and this is the thing that worries me—divert much needed resources from areas that not only are underresourced at the moment but are all obviously crying out for an influx of funding.

Once you raise the issue of substance abuse in this country, the common thread seems to be to mention what is happening overseas to justify either the harm minimisation argument or the total prohibition and ‘say no to drugs’ position. As the honourable member for Grey will know, our committee has been inundated with quotes about what is happening in Switzerland, Sweden, Holland, the UK and the USA. Information is readily available either to support one’s position on how to address and tackle the controversial issue or to perhaps formulate new policy. One of the things I have found in the eight years I have been in this place—like the honourable member for Grey, I am coming up to my eighth anniversary next Tuesday, 13 March—is that, for some inexplicable reason, we love looking at what everybody else does but we find it very difficult to come up with a typically Australian solution to so many of our problems. Surely we have the expertise. We are world leaders in so many areas, so much so that our brains are encouraged to go to other countries.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! It being 1 p.m., the sitting is suspended. The member for Franklin will have leave to continue his remarks when the chair is resumed at 4.30 p.m.

Sitting suspended from 1.00 p.m. to 4.30 p.m.
Mr QUICK—Before the adjournment, I was talking about the need for an Australian approach to the issue of substance abuse. Issues such as heroin trials, safe injecting rooms, the registration of heroin addicts, free needle exchanges, and methadone and naltrexone programs all have their supporters and opponents who, each in turn, can produce drayloads of statistics and arguments to justify why they will or will not succeed. In my mind, Australia faces two problems when it comes to substance abuse: firstly, what to do with the problem of dealing with those harmed by licit and illicit drugs right here and now; and, secondly, how to institute an educative program to ensure that there will be a huge decrease in the numbers joining the first group. In order to address these two areas, we need an Australian approach, as I have said—something imaginative, well researched, properly and adequately funded, and totally national.

For too long, we as Australians have attempted to address many issues on a national level only to be thwarted by petty state jealousies and interstate point scoring. I have often called it the ‘rail gauge mentality’—something which prevents a real Australian solution to this huge problem that faces us with substance abuse. The concerns I have on this issue are those relating to the current fixation on the issue of illicit substances and the apparent total disregard for the obvious problems relating to cigarette and alcohol addiction. It is obvious to me—and I would like to think to everyone who has an open mind on the issue of substance abuse; and that is the important thing—that the massive investment in law enforcement has done little, if anything, to stem the flow of illicit substances into Australia.

This concentration on law enforcement is the American simplistic approach to drugs. The evidence that I have read and the research that I have done show that it does not work. I have lived in America, and I can assure you, Mr Deputy Speaker Causley, that jailing two million people, 80 per cent of whom are involved in drugs in some shape or form, does not solve the problem. Families whose members face addiction to licit and illicit substances require the opportunity to access fully funded, interventionist and supportive services wherever they live, seven days a week, 24 hours a day. It needs to be there when they need it. Currently, we have a patchwork approach to the issue: local government initiatives; numerous state government approaches across such departments as education, juvenile justice, prisons, health, sport and recreation, and housing; countless NGOs, with their various approaches to the issue; as well as numerous Commonwealth departments who have their fingers in this issue as well.

As members of the House of Representatives Standing Committee on Family and Community Affairs have wandered around Australia speaking to families whose members have succumbed to the ravages of both licit and illicit drugs—youth heroin overdoses, domestic violence from drunken spouses, child abuse, dysfunctional families and youth suicide—all the families have told us that the safety net has huge holes in it. Former Senator Peter Baume produced a superb report on this issue in the late seventies—I think it was in 1976 or 1977—with many excellent recommendations. However, the problems have worsened.

The House of Representatives Standing Committee on Family and Community Affairs hope to have an interim report before parliament is prorogued and we have another federal election. That report will highlight what we have seen over the last 18 months and put the facts as bluntly and as plainly as possible to the Australian public. As I said initially, this is an issue—like cancer or leukaemia—that unless it hits your family you do not want to know about. It is a simplistic to say: ‘Let’s move them on,’ or ‘Let’s jail them all,’ or ‘It’s not really my problem,’ or ‘The only way I can solve it individually is to fortify my house and hope they go and knock the next door neighbour’s property off.’ They are not real solutions in this day and age. We need a national approach. We need a truly Australian approach, and I would urge all members of this House and all those interested in this issue to put their hands up and to get involved because, unless we have a total community approach to the problem, it is going to haunt us for many years to come.
Mr HATTON (Blaxland) (4.36 p.m.)—Today we are dealing with the Appropriation Bills Nos 2, 3 and 4 for the departments. I want to take a look at some of the extra appropriations that are in there in terms of the administration of the GST and the impact of that on my electorate of Blaxland in terms of the employment of extra GST policing staff at the Bankstown taxation office and initial word that I have got today that people employed at that taxation office are again coming under threat.

When we lost government in 1996, this current government determined that if they could they would close down the Bankstown taxation office. Despite the fact that it had a long-running lease, they then moved to get rid of more than 640 people employed there and to move them to Parramatta, Hurstville and the city. All but 220 people were moved out into cramped spaces at those other centres at great cost to the taxation department and at great cost to all of those people who were inconvenienced. Two hundred and twenty people could not be moved: the people in the superannuation area. They just could not find anywhere else to put them. If they could have, they would have—but they could not. They were forced to leave them there, but they paid dead rent on all of the rest of the building.

Last year, this government brought in a GST that very few people in Australia—less than half of people before the last election but certainly a lot less than half after the election—wanted or welcomed: a GST that no other government had the temerity or the stupidity to bring in. This involved having GST taxation police, so we ended up with a tranche of people being sent into Bankstown to partly reoccupy the building. I am informed today—and I am going to have discussions with people later in terms of looking into the detail of this—that a number of people, it seems, are going to be moved out again. I condemn that move from this government, because the employment impact on Bankstown will be extremely severe. We had 640 people; they knocked it down to 220 and could not get it any lower. They then put people back into the building and it now looks like they want to get out of the lease again and take those people out of Bankstown—they want to take the ballast that there is. This government has already made savings, because they have knocked out the department of immigration and taken that service from the people of Bankstown. What they have loaded us up with is a new set of private industry services that they think Bankstown should provide.

In these notes to the appropriations, there are no moneys associated with that. I would like to argue that there should be a series of lines in regard to the potential cost of the relocation of rural flights that would otherwise go into Kingsford Smith airport—those being moved to Bankstown airport—and in regard to Bankstown airport being made a de facto regional airport. In the middle of December the minister for transport determined, in consultation with the Prime Minister and the rest of the cabinet, that there would be a grandfathering clause to allow current flights with access into KSA to stay there, but any new flights into KSA would be so prejudiced in terms of large jets being used, higher costs and so on, that the great probability was that those services would be pushed to Bankstown.

Bankstown would be forced not just to be a general aviation airport—the busiest in the southern hemisphere—as it is today but also to layer regional services on top of that. The minister, the Prime Minister and the cabinet would not make a decision about a second airport but said, effectively, that a de facto decision was to lump the development of a second airport on to Bankstown. That is entirely inappropriate for the half a million people who live around it in my electorate and in electorates such as Fowler, Reid, Parramatta, Prospect and Hughes. Despite all of the people would be affected by that, there are no notations in these appropriations on government expenditure to cover the costs of relocation of services and to take into account what would be necessary for the people in those electorates.

An expansion of the Aircraft Noise Levy Collection Amendment Bill 2001, which I spoke on earlier today, would be necessary. That has been expanded to take in not only Kingsford Smith but also Adelaide. It was discovered, when the implementation was to be placed on
Adelaide, that the government had just forgotten, over five years, to declare Kingsford Smith airport a leviable airport. Therefore, the $175 million collected by the aircraft companies for the government was illegally done. So we need retrospective legislation to cover that $175 million that has already been taken in. The total cost of the whole program—we have already had expenditure of $374 million worth of appropriations that have previously gone through—would include insulating from noise 300 houses and 80 other facilities, such as schools.

We have no appropriations here in relation to the people of Bankstown and the surrounding areas in terms of the impact of the government decision taken in mid-December. We have none of that because of the attitude of this government in how they go about making decisions—in this case, on the run, politically driven and with no concern at all about the effect it would have on areas of Sydney that do not vote for the coalition. We also have an indication of just how the government looks at its responsibilities for transport provision. They have said that, although $14 million previously appropriated through the budget process was spent—a minimum of $14 million, some say $20 million—on the environmental impact statement process, that has been a total waste of money. That amount was jacked up because Holsworthy was thrown in in order to extend the time that the organisation should actually spend doing the environmental impact statement. That money was appropriated for purposes that the coalition, when they went to look at that very thick and detailed report, simply put aside. They said, ‘We’re not really very interested in that at all, even though the previous transport minister commissioned this report.’ That was put aside. Instead of that, without any investigation whatsoever, Bankstown was loaded up with the responsibility of being an overflow airport.

What consequences will go with that? There have been more than 18 months of discussion from the greater urgers in the government—including the Treasurer, who is responsible for not taking any responsibility for the fact that Treasury have said that Kingsford Smith airport should be covered by the Airport Noise Levy Collection Act. It is his responsibility, and he has not owned up to that. He has been too busy running around the place arguing that Sydney should be knocked on the head for the development of a second airport; that instead of that there should be a very fast train running between Melbourne, Sydney and Brisbane; and that maybe the whole thing could be put off forever and a day, for another 20 or 30 years, if people just turned their eyes against it. In league with the Minister for Finance and Administration, Mr Fahey, the Treasurer came up with a plan to belt the daylights out of the people in my electorate and surrounding ones, and to do it in such a way that the government would not spend one red cent on the process.

It is a federal government responsibility to provide for the transport needs of the people of Sydney, given that the government still own those airports and that they have not yet been leased out. When the environmental impact statement and the long investigation of what the best course of action would be was entirely disregarded—a total waste of previously appropriated moneys—they did not look at what should happen in terms of further provision, because there has been no environmental impact statement for Bankstown Airport.

I ask the government not to sell this year the leases to Bankstown, Camden and Hoxton Park as a job lot. I ask the government not to take that step and prejudice the future of people in my electorate with an ill-considered approach to put together general aviation, regional aviation and jet aircraft at Bankstown—without a full master plan, without conforming to the airport acts that Labor put into place with an ill-considered approach to put together general aviation, regional aviation and jet aircraft at Bankstown—without a full environmental impact statement, without a full master plan, without conforming to the airport acts that Labor put into place while it was in government, and without conforming to the spirit of the key act. The key act says that not only do you need an EIS; you also need a determination that for any sale of Kingsford Smith airport there must be a consideration of the development of a Sydney West airport; a second airport for Sydney. The government think they can slide through this by saying that they are not selling it, that they are only leasing it; that if they put out a 60-year lease it is not a sale. In actuality, that provision is a government responsibility.
Even if the government flogs off KSA and the Bankstown group of airports, what are their responsibilities in terms of master planning? The Prime Minister and the Minister for Transport and Regional Services have said, ‘Well, it is not up to us. We might be the government but if this gets leased out it should be up to the people who buy that lease to actually go through the process of all the master planning,’ and, ‘In terms of how much money we should actually charge for Bankstown and the other two smaller airports, well, we should take into consideration that the people who are going to take up that lease should do all the infrastructure work. They should be looking at how that airport would link into local roads, state roads, council roads and the state rail system. They should be looking at how Bankstown would actually fit into the whole aircraft network within the Sydney basin.’

They are key federal government responsibilities. This mob think that they can actually walk away from these responsibilities and say, ‘Well, it has to be sold. Once it is sold, it has nothing to do with us—thank you very much. There are no lines in these appropriations which take into account the great partners urging the government to go down this track of turning Bankstown into Sydney’s second airport or the fact that it will cost $200 million to $500 million of federal government funds to actually ensure that that kind of proposition would work. The government’s response is, ‘No appropriations. There will be absolutely zero: zero this year, zero next year, and zero the year after. Let somebody else do it. We will just handle it in an accounting way; we won’t take responsibility for it.’

Further to that, there is no appropriation here for what it would cost to actually change Bankstown, if the government were successful in doing what it wants to do. I joined with the 6,000 to 10,000 people who were protesting at Bankstown on Sunday, 11 February. Those people said an absolute no to this crazy plan put forward by the government. You simply cannot impose this kind of decision on a community and take a general aviation airport, expect to run 737 jets in and out of it and just say that it should be an overflow airport.

There are three runways at Bankstown. There are two 30-metre-wide runways and an 18-metre-wide runway. The only explanation I can find for the government thinking that it can run 737 jets in and out of the place is that there is a specific provision, a grandfather clause, which says that Boeing 737s can use 30-metre-wide runways. But it is not safe. At another airport with a general aviation runway well away from a 30-metre-wide runway, maybe Airservices Australia would agree. But I have news for the government: they are not going to agree to Boeing 737s running in and out of Bankstown on either of the 30-metre-wide runways, because it would be utterly unsafe at the busiest airport on the Australian continent—in fact, in the Southern Hemisphere.

If they did actually go ahead and make it a 45-metre-wide runway and deepen it in order to take that aircraft, if the buyer followed the Commonwealth’s instructions in regard to this without the Commonwealth having any appropriations for it, what would be the impact of that? The direct impact would be that you would have only one runway at Bankstown airport, not three, and that you would destroy general aviation at Bankstown airport. If the government are determined to do that and to say that all of those people involved in the general aviation business at Bankstown should have their businesses destroyed, that every one of those aircraft companies that train Australian and foreign pilots, both in fixed-wing aircraft and in helicopters, should effectively shut down, go home, take the costs and roll themselves into bankruptcy, then the government have given no consideration whatsoever, firstly, to those impacts; and, secondly, to the impact of this decision on general aviation—not even a word has been said.

General aviation knows that you cannot load up regional services into Bankstown and then have more than 100,000 general aviation services lumped off to Camden and another 300,000 prejudiced. You actually have to make positive decisions about these things. The government would have to make a real decision about starting a new general aviation airport somewhere.
else, because you cannot safely roll regional aircraft in with general aviation aircraft. You certainly cannot roll large passenger jet services into Bankstown and have a triple-layer airport next to Kingsford Smith, only a few kilometres away, and expect to run that safely.

No-one in CASA could accept that. No-one in Airservices Australia, for all of their sins, could be expected to give evidence that that would be a reasonable thing to do. Yet we find in the government’s decision and in their figuring and in their appropriations not one line, not one measure, not one costing, not one consideration of the fact that they could completely destroy general aviation in the Sydney Basin. They have offered general aviation no relocation at all and no certainty except this certainty: that the future of general aviation in Sydney has a giant question mark after it if this government stay in power, because they have prejudiced businesses.

Everybody in my electorate and in surrounding electorates already knows that because of this entirely stupid and inane decision—one that was cobbled together for political purposes—there is an actual effect on the value of people’s homes. One could expect people to be concerned about a drop in the value of their homes. But a couple of weeks ago, local real estate agents at auctions in Bankstown indicated that the median price for homes had dropped by $50,000—from $280,000 to $230,000—as a direct result of the government’s decision announced on 13 December that they would do over Bankstown. So it did not take very long for the effect to be felt in anything which had the name ‘Bankstown’ attached to it.

If you have worked hard throughout your life to build up your assets and to pay off your home, it is not very encouraging to see the value of those assets chopped to pieces. There is no consideration whatsoever in these appropriations in terms of any compensation for anyone in Bankstown or the surrounding areas. There is no compensation in terms of an airport noise levy collection. There is nothing in these appropriations about what a federal government would have to pay to relocate parts or all of general aviation out of Bankstown Airport—and that figure would be in the hundreds of millions of dollars. There is infrastructure that has been there since the forties and that has been built on. This is an ongoing concern that is dramatically important in terms of the income that is brought to Australia—up to $100,000 for every student trained to fly a Cessna or a helicopter at Bankstown Airport. It is a massively important part of the local economy. Where is the consideration for that matter? There is not any.

This decision is entirely reprehensible on almost every level. There is no consideration given to it in the appropriations. It is an indication not only of the political nature but also of the devastatingly cruel nature of what the government has announced. (Time expired)

Ms CORCORAN (Isaacs) (4.56 p.m.)—I rise in this debate on the Appropriation Bill (No. 3) 2000-2001 and cognate bills to take advantage of the opportunity to talk about a number of issues of concern in my electorate of Isaacs, none of which are addressed in the bill. Many Australians are facing real difficulties, thanks to the policies of the Howard Liberal government—policies such as cutbacks in and delays to essential government services, new taxes and charges aimed at the less well off, and a lack of concern for the real, everyday problems faced by ordinary Australians.

The first issue that I will talk about is Telstra’s current arrangements for zone charging. Mr Deputy Speaker, you may be surprised to learn that residents and businesses in the town of Cranbourne in my electorate are charged STD rates whenever they use their phone to call a Melbourne number. Residents in other nearby towns, either further out from Melbourne than Cranbourne or about the same distance from Melbourne as Cranbourne, are not charged STD rates for Melbourne calls. This means that Cranbourne residents and businesses are paying more for their day-to-day communication needs than their neighbours are.
This is a very important equity issue in Isaacs. Cranbourne residents who ring government departments and services outside Cranbourne—and the bulk of government departments and services are outside Cranbourne—are paying STD rates. Cranbourne residents who ring their friends and families in nearby Melbourne suburbs are paying STD rates. Businesses which make lots of calls to the Melbourne area are paying through the nose.

Mr Deputy Speaker, let me assure you that in Cranbourne this issue is even bigger than that of petrol. The cost of telephone calls is vital to families, who need to watch every cent. It is vital to businesses, which are already flat out keeping up with the extra burden of the GST. My constituents are asking me: why is the leafy suburb of Mount Eliza, which is in the marginal Liberal seat of Dunkley, in the Melbourne telephone zone when it is somewhat further from the centre of Melbourne than Cranbourne? They are asking: why are the towns of Berwick and Beaconsfield, in the marginal Liberal seat of La Trobe, in the Melbourne zone when nearby Cranbourne is not?

Let me give an example of the difficulty that this zoning posed to a constituent of mine recently. This constituent rang my office—a local call, as my office is in Cranbourne—in a state of great distress because her son was experiencing some serious difficulties. She was unable to ring the appropriate government department in Melbourne because she had an STD block on her telephone. The block is there because she has financial problems which were exacerbated, I have got no doubt, by being forced to use her phone to make STD calls all the time. My constituent could not even call nearby Dandenong for the same reason. It was just luck that my office was only a local call for her, so she was able to contact me and I could help her. This woman does not need extra obstacles in her way when trying to deal with a serious issue involving her child, particularly when these obstacles are unfair and can be removed easily.

Telstra is a profitable company—as it should be, provided that the profits are made fairly—and we have heard today of another record result for it. The question is how much Telstra’s good results come in on the back of outdated charging arrangements, which no longer reflect fairly the growth in our cities, the changes in technology or the consequent changes in costs. To my mind, the people in businesses in Cranbourne are victims of Telstra’s reluctance to alter the zoning arrangements. In other words, they are contributing far more than their fair share to Telstra’s profits.

Telstra is currently reviewing its zoning arrangements, and the report has been promised for some time. I must admit I would feel a lot more comfortable if the review had been undertaken by an independent body rather than by Telstra. Nevertheless, I guess any review is better than none at all. I look forward to seeing the results of this review and just what it will be recommending for places like Cranbourne. I hope it recommends a more equitable pricing arrangement than the present one. If it does not, the people of Cranbourne can rest assured that a Labor government will be doing all it can to redress this inequitable situation.

I turn now to the banks and their charging. A few weeks ago, an elderly pensioner in my electorate rang me to express his frustration with his bank, which has decided to increase the fees for withdrawals from his account and to reduce the number of free withdrawals per month. Since the present government came into office, income earned by banks from fees alone, and no other source, has increased by 53 per cent. In the same time, 1,505 branches have closed in places all over the country—350 last year, including one in Mordialloc last November—and more closures are on the way. That will stand as an indictment of this government and of banks and their stand-off, don’t care attitudes.

My constituent is one of the unlucky people who are now paying 400 per cent more for particular transactions than before the present government came in. No pension has risen by that much, no award wage rise of that size has been granted, but these fees keep on going up, without stopping. Unlike the government, which for ideological reasons refuses to even think...
about the problems caused by the attitudes of banks, Labor will address these issues. A Labor government will bring together banks and community industry and consumer groups to develop a social charter of community obligations. The social charter will include provision for fee-free bank accounts for pensioners and social security recipients, greater transparency of bank fee structures, including ATM fees, and the development of a plan to bring banking services back to where people actually want them.

I want to talk now about another issue of great concern to the people in Isaacs: the claw-back that the government has planned for pension increases due later this month. Last week a pensioner rang me to ask why he was losing half of his cost of living adjustment due in a couple of weeks. What can I tell this pensioner? Can I tell him that, as the Council on the Ageing has said, the government was loose with the truth by telling older people that they were getting a four per cent increase, with a view to maximising acceptability of the GST to this crucial part of the electorate? The government was very vocal about its four per cent increase to pensions back in July 2000 when the GST was introduced. We were asked to believe that this increase would overcome the extra costs that pensioners would have to pay once the GST was introduced. The temporary increase was not enough, and the fact that it has to be clawed back is an insult to vulnerable people, and unbelievably callous. It is a mean decision, affecting not only pensioners but also veterans—a group in our community that even this government ought to have some respect for.

Veterans are getting a poor deal from the government on several fronts. I have been contacted by several constituents who have served as doctors or nurses in Vietnam. I understand that there are around 400 Australians who served their country in this way during that terrible conflict. I am certain that most people in Australia think that Australia would provide benefits to all those Australians who actually served the country in conflicts, wherever those conflicts were and in whatever role they served. Yet this penny-pinching government, earning at least $1 billion a year from petrol above and beyond what was predicted, will not extend benefits to civilian doctors and nurses who served in Vietnam, even after that anomaly has been clearly pointed out. Everybody who has examined this issue is clear that this situation is wrong and should be fixed. The government appointed Major General R.F. Mohr to examine this issue, and in his report he stated:

... former members of the Australian Civilian Surgical and Medical Teams who served in Vietnam perceive their service should attract repatriation benefits similar to Australian Defence Force personnel and designated civilians serving in Vietnam during the same period.

No fair-minded person will be surprised to hear that Major General Mohr recommended, and again I quote:

Australian Civilian Surgical and Medical Teams operating in Vietnam during the Vietnam War be deemed as performing qualifying service for repatriation benefits.

Major General Mohr’s recommendations are fair. He has examined the issues carefully, and any responsible government would have taken these recommendations and followed them, but what has happened? The government has refused to give these veterans their just due. It has refused repeatedly.

Last year the ALP and the Democrats combined in the Senate to enact the Mohr committee recommendations, and what did this government do? It threatened to derail the whole bill and consequently to refuse the veterans community all additional entitlements under the veterans affairs act. This action is an extraordinary campaign to deny repatriation benefits to those civilian doctors and nurses. What we see is a government quite unwilling to do the right thing. It is unwilling to give proper benefits to Australians who faced real risks, who faced real dangers and who suffered on their country’s behalf. We see a government which rejects out of hand the recommendations of the Mohr committee and which stands intransigent on the issue
This bill seeks to appropriate $183 million for the Australian Taxation Office to cover the increased cost of administering the GST. It appears that the cost of running this wretched tax has blown out, just as the cost to ordinary Australians has blown out. In the 1998 federal election a clear majority of Australians voted for parties which were opposed to the GST but we have got the GST. Why? Because the government scraped in with a small majority of seats in this place and because the Democrats gave in and let them introduce the GST. This is a tax which Australians do not want and for which they did not vote.

For some time it has been clear that the GST is bad for many Australians. Today the government might trumpet how wonderful it is, but then two weeks ago the government was telling us the BAS did not need to be changed and that petrol was not so expensive after all. We all know now how little these words were worth. It will be no surprise to you, Mr Deputy Speaker, to know that the people of Isaacs are not happy with the GST.

I admit that in the early stages of the GST some people were somewhat surprised that it was implemented smoothly and they reserved judgment on the effect on prices. These same people acknowledge that the smooth implementation was partly due to the industry of Australian workers who, we all know, are very good at their jobs, and partly due to the fact that the real test, the quarterly BAS statement, was still some way off. That was then. These people are now expressing alarm at the impact of the GST. I have lost count of the number of times I have had people say to me, with dismay and surprise, that their electricity bill includes a whack for GST, as does their telephone bill, their insurance bill and every other bill you care to name. The trauma that the BAS has caused small business is now well accepted—even the government has heard that message.

Medicare is another issue that is alive and well in Isaacs. The issue has two prongs. The first is the falling number of doctors who are prepared to bulk-bill their patients. The second, which is linked with the first, is the difficulty of finding a convenient Medicare office. The lack of bulk-billing doctors forces patients to fund the gap between the rebate amount and the actual amount charged by their doctor. Having paid the bill, it is in the patient’s interest to seek a refund as quickly as possible, and the lack of a nearby Medicare office is a big obstacle to that process. It is all very well to say that patients can seek their refund first and pay second, but we all know the increasing pressure doctors put on patients to pay up front. I am not critical of doctors for trying to protect their cash flow, but once again it is the patient who cops the cost.

The final issue I want to raise is the insidious creep of holding back services for those who need them most. The Bayside Community Health Centre in Isaacs applied for a grant some time ago under the Home and Community Care funding for an additional allied health assistant for the year beginning 1 January 2001. The centre has a long waiting list for services such as podiatry, occupational therapy, physiotherapy, et cetera, and I am told that this new position will help shorten the queue by freeing up the health professionals and allowing them to deal with their clients rather than with paperwork. The minister has not yet released these funds despite them being approved in the budget last May. It is now March and this service could have been operational last January. I am told that this long delay is not unusual and over the last three years this funding has been delayed. In 2000 it was not signed off until April.

Centres like central Bayside and others in Isaacs are operating on a finely tuned budget and cannot afford to launch into a new service until the funds start to flow. While the centre waits to sign off, the people are waiting unnecessarily for health services others take for granted. I call on the minister to sign off on this agreement without any further delay.
All these issues I have raised today are ones that touch ordinary people every day. Not one of them is earth shattering in itself, but they are all important to the quality of life of ordinary Australians. They are examples of decisions that add a few cents here and there to the cost of living and, in some cases, even more than a few cents. They are examples where basic services are denied or delayed to people who cannot afford to buy them privately.

The cost of STD calls for Cranbourne residents, the loss of the full pension increase, increasing bank fees, the inescapable GST, creeping costs—all of these things are adding a heavy burden to the lives of ordinary people in Isaacs. We keep hearing about the government not being able to hear these messages. I am not even convinced that the government understands why these messages and issues are important.

We keep hearing about the coalition priding itself on standing for family and family values. This notion is both baseless and offensive. It is baseless because, despite the government’s rhetoric, many Australians continue to live in serious difficulties. In many cases these difficulties have been deliberately exacerbated by government policy. It is offensive because these Australians who are struggling can see just how well the big end of town is doing under this government while knowing how hard it is for them just to have an ordinary life.

Mr RIPOLL (Oxley) (5.11 p.m.)—I am pleased to be speaking this afternoon on the Appropriation Bill (No. 3) 2000-2001 on the eve of the by-election in the federal seat of Ryan. I have particular interest in the outcome of this by-election as it borders my seat of Oxley and, for the past few years, I have actually been very active in maintaining contact with many of the constituents from the electorate of Ryan to assist them with problems of a federal nature. Some of these people have sought my help, as they live in the suburb of Oxley, and therefore you might assume that they thought they were actually in the seat of Oxley rather than in the seat of Ryan. So while I am always happy to help any person who seeks assistance from me or from my office, I usually advise them of their correct representative and, up until the beginning of this year at least, that was John Moore. In Fawlty Towers, Basil Fawlty always said, ‘Never mention the war.’ In Ryan, the line is ‘Never mention John Moore.’ I do this not only as a matter of protocol to help out these constituents of Ryan but also as a way to advise them that I am a backbencher of the Labor Party—

Ms Hoare—And a very good one.

Mr RIPOLL.—Thank you very much for that interaction, Member for Charlton. I therefore may take a different course of action from that of their own member who, after all, was a senior minister in the Howard government. I figure that if anyone can pull a few strings, so to speak, it would be the member for Ryan, having been such a senior member of the government and a member of cabinet. Obviously, in most cases, that was not the case. I have not kept a precise record of the direction these Ryan constituents take, having decided to contact their properly elected representative, but I am aware, however, that a few have called my office again, having been unsatisfied with the outcome of their inquiry with their federal member. I do not recall if these people’s problems were beyond the point of anyone’s assistance and so I will not question the level of service they received from the past member for Ryan. But I do remember a number of people who, knowing that I am not their elected representative, still wanted me to assist them anyhow. They are partly influenced, I think, by their personal political beliefs. But there is also an insinuation that these people do not believe a member—

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—I am reluctant to interrupt the member for Oxley, but this is the debate on the appropriation bill. Could you try and speak to the bill?

Mr RIPOLL.—Absolutely. I am bringing this to the point that I am actually raising, which is about the Howard coalition government and its lack of understanding of the problems or its unwillingness to actually battle an agency such as Centrelink which, at the end of the day, is
part of the coalition’s policy that created the problem in the first place. In a sense, the electorate of Ryan, and John Moore for that matter—whom you cannot escape in the seat of Ryan—are an analogy for all of Australia. It is an analogy about five years of pain. It is an analogy about not listening and it is an analogy about bad policy. I expect government members to actually have a go at me about this. But the proof of the pudding is in the eating, and the proof is in the results of the polls and what the people are saying, because the government is still not listening. And that is the key.

The discussions that I have had with these people are only anecdotal evidence of the general perception of how the coalition now represents, or does not represent, the people. Constituents are, however, the only means of opinion polling I have in order to understand the nature of people’s concerns and just how deep-rooted some of their problems really are. One of my biggest concerns is the number of people who try to tackle problems they face of a federal nature on their own or who accept a decision from a federal agency without questioning that decision not only on its fairness but also on its accuracy. There is a lot of speculation on the outcome of the Ryan by-election, with many analysts predicting that the disgruntled coalition voters will send a short message to Prime Minister Howard on the current state of affairs. The tussle in Ryan is extremely symbolic for not only the coalition but also the ALP. This is a blue-ribbon Liberal seat—let us get it right. This is not a seat that Labor should win, can win, or ought to win in reality.

Mrs Elson—And will not win.

Mr RIPOLL—We will see in a couple of weeks time. I am not saying that we will win but it is certainly going to be interesting. It is the sort of seat we have never had a look-in with or a chance of winning. But in effect the result does not matter. Whether we win or you win in Ryan, it is the people of Ryan who have already lost. That is the real issue and that is where government members are not listening. It is not about whether you win Ryan or whether we win Ryan; it is about what you have done for the constituents in Ryan. And you have done nothing. You do not have to ask me. You can ask anyone in Ryan. I have door-knocked quite a few doors in Ryan in support of Leonie Short and it is amazing what people tell me about their former member.

Also, the real thing that comes out of this is that the by-election in Ryan is not about petrol prices. The Howard government has tried to turn it around and make it about petrol prices by backflipping and giving the 1.5c fuel tax excise rebate—the Ryan rebate—but the Ryan rebate is very little and much too late. The most exciting part of the result for me will be whether we win or lose; it will be that every new ALP vote that Leonie Short gets on St Patrick’s Day this year is a reward for the Australian Labor Party. I see it as a reward because the ALP has fought the Howard government for the past five years not only on petrol prices but also on the issues that affect all Australians, such as the GST, aged care funding, compulsory health insurance, regional development, privatisation of Telstra, the Job Network, Work for the Dole, and a whole heap of other things.

There was good news today of another 0.25 percentage point reduction in interest rates, because people need that money to pay for petrol to get to work in the first place. Giving people 1.5c a litre back on petrol does not mean that they will forget. They will not forget that the Howard government misled them with the savings bonus scheme for pensioners—which none of us will forget. A saving of 1.5c a litre on petrol will not mean families will forget that the Howard government changed the age eligibility for youth allowance to 25 years. And 1.5 cents a litre back on petrol will not help the unemployed people who are breached by Centrelink and lose benefits for eight weeks. Whom does that benefit? It benefits no-one in the community. In terms of the houses they normally rent, the landlord is the one who misses out. In effect, you are penalising some of your own constituency. Isn’t that terrible? Families are
affected too—not just their immediate families but their extended families who have to try to help them out. We have helped many people out.

It hampers people’s ability to find work, which is supposed to be the primary goal. But one of the worst things that it does is push up crime. You take away somebody’s livelihood, giving them no means of supporting themselves, and you drive some of these people with no choice to crime. Over 200 years ago they used to send people here for stealing bread. These are the sorts of policies that go back to that genre of thinking about what we do and how we actually approach issues, such as people who are looking for employment. So getting 1.5c on petrol will not help families at the cash register when their grocery bill is more expensive under the GST. The government has made a lot of hoo-ha lately saying, ‘Food is GST free, so you have completely missed the boat.’ That is exactly the point—again, it is not listening. Food is GST free and, hence, why should it be so much more expensive? It is easy to identify in any survey from anyone anywhere across the land that it is more expensive.

Mrs Elson—Not the Swan report.

Mr RIPOLL—Particularly the Swan report—one of the best reports. Let me tell you what is good about the Swan report: it is the constituents in the electorate of Lilley who actually appreciate the information. I have an Oxley Pricewatch, and I know that the constituents of my electorate appreciate that we do something for them through the community. It is something that we do with community people, and they appreciate that we give them good, solid, honest information about what the real prices of groceries are. They actually use our table.

So, again, it is not about the 1.5c a litre. In effect, what does that really mean for your hip pocket? If you add it up—roughly 90c a week or 0.9 of a dollar, per month, per year—what is it worth at Christmas? It is worth $45—that is it. But what is it really worth to people? The Ryan rebate is a slap in the face for all Australians. It is going to cost $2.5 billion over the coming budget. And why? Because, all along, John Howard said that it was fiscally irresponsible and that any government that would do that would be condemned for being irresponsible. But that was up until we had the Ryan by-election. So the Ryan rebate is not about doing something for Australia or for constituents; it is about doing something to try to win an election. Why? Because when the gates open and the horses are frightened, they bolt. John Howard is now chasing the horses, but they have fled. And do you know what? The nostrils are flaring and they ain’t lookin’ back. But who are those horses we are talking about? They are the backbenchers in the coalition. Have a look at the National Party—and I am sure you would appreciate this, Mr Deputy Speaker Causley. There are people who are very rattled. They are rattled because they know that the wrong things have been done.

Mr DEPUTY SPEAKER—I remind the member for Oxley that the chair has no party.

Mr RIPOLL—Thank you, Mr Deputy Speaker. I can assure honourable members that in Queensland—if not everywhere else in Australia—government and coalition backbenchers, particularly National Party members, are very concerned, because they know that the policies that are implemented by this government are not those that are supported by their own constituencies. Those policies fly right in the face of what their own people have been asking—and they have been asking in gentle terms. They have been saying, ‘We do not want the further sale of Telstra.’ So what does this coalition do? It says, ‘We promise you we will sell it.’ It is as simple as that. ‘We know you don’t want it and we know nobody really wants it but we promise you we will sell it.’ So, again, this coalition are just not listening—not because it is good policy or because they are trying to do something better for the country but because it is just an ideological bent. They are trying to do something that feathers their own nest, something that rewards a very small part of the community and disadvantages the majority.

In these few words this afternoon—which are not just about Ryan—I hope to point out my belief that this is an analogy about all of Australia and about the capacity that some people
have of looking at something and yet not seeing it. Sometimes you can stare at something all day and, if you have stared long enough, you will believe it is not there, because you are used to seeing it every day. There is a little saying that ‘you can’t see the forest for the trees’. I am sure that will ring true after the next election for many coalition backbenchers, who will wonder why they have lost their seats. They will wonder who is to blame but they will not have to look very far. They will just have to look back over what will then be about six years and ask, ‘When were the indicators out there? Were the indicators out there when people voted against the GST?’ I say to the coalition: you might have won the election but you did not win the vote. You won the election because you won more seats, but you did not win the hearts and minds of the people. The people clearly voted against the GST.

So when you are looking for excuses about who to blame and who is going to be responsible, I do not think you will have to look too far. Just look to the party room. Look to the policies that have destroyed so many things that people wanted, believed in and trusted but did not get. To say ‘never ever’ or ‘anything like a GST will ever be introduced’ is a pretty strong way to phrase something. I want to keep going on about the GST; it is very significant. But it is one small part of the total impact, the total formula—there is a whole range of other things. So short-term solutions such as grudgingly giving back the Ryan rebate of 1.5c a litre on petrol will not fool, and has not fooled, anyone who has been hurting under the Howard government for the last five years. Rather than doing that, something a bit more constructive should have been done.

The Howard government thinks the potential loss of Ryan is a knee-jerk reaction to petrol prices. But, again, they are wrong—it is not. It is not a knee-jerk reaction; it is the slow burn. It is the answer to the questions—and if you do not know what the questions are, you have missed the boat. Not only is it the slow burn on petrol prices for Prime Minister Howard and for the GST monarch, Mr Costello, who is out of touch with all Australians; they are also in denial because they do not even know what the questions are, let alone what the answers are anymore.

Maybe Mr Tucker should call me to discuss what the true issues are for the people of the electorate of Ryan. In fact, I encourage Mr Tucker to also contact the members of other bordering electorates, such as the member for Dickson or the member for Brisbane, to get an honest understanding of how much people are hurting under the Howard government. In the electorate of Ryan they have been hurting for a long time because most people do not know that someone called, I think, John Moore, might have actually been their member for many years.

As the member for Oxley, I have met an extremely wide range of people from my electorate. The people of Oxley are honest and hard working, they have a great sense of community pride and they are always willing to help others. In particular, they are willing to help each other. But there are some things that they just cannot do alone, and this is where we come in. I get a real sense that many people are fighting a losing battle when it comes to trying to maintain a safe and sound lifestyle under the Howard government. But I will qualify that phrase ‘lifestyle under the Howard government’, because it is probably not the lifestyle that government members are thinking about. I am thinking about the lifestyle where you have an honest job, you go to work, you might or might not own a home, you can afford to send your kids to a state funded school—I am not even going over the top here with a private school; just a normal state school—and afford all the things they need like books and uniforms, maybe afford a second-hand car and, most of all, afford the petrol to run it. I am not talking about family trusts, multiple property ownership, overseas holidays to the Bahamas or fees to King’s College of $15,000 under the ‘choice’ options.

People in my electorate are insulted when you throw in their faces a ‘choice’ of going to King’s, when you say, ‘We’ll give King’s an extra $1 million and you can have a choice of
You go and ask a family who earn under $20,000 and have three kids how they can afford the choice of paying $15,000 in base fees. It is an absolute disgrace and an absolute insult. But don’t take my word for it. Go out and talk to people in the electorates and ask them what they are thinking about kids and school and education and about fees to King’s School. I know it is painful. It hurts me, too—it hurts me to think that even the wealthy parents would think it is a joke that their fees get reduced by a few hundred dollars only to be upped the next year by maybe over $1,000.

Mr RIPOLL—Oh, now we are upset! There are government members upset because the truth is resounding in the empty hollow that should be their moral fibre. The increase on food, on tax and on everything else is just another small part of where this government has gone wrong, but they still do not understand because they still are not listening. Pensioners and families are being slugged by the GST at the cash register, the post office, the motor registration office, the electricity company; people are being slugged by the banks with increased management and account keeping fees, and the service they using to get is gone now. What we are facing is a whole range of new ways of doing things, with multinational corporations, banks charging more fees, and oil companies greedier than ever. As soon as we see a 1.5c reduction in the fuel price at the bowser, allegedly, what happens in Melbourne? It goes up by 10c. So in that 10, minus 1.5, plus 6.7, minus whatever they did with the GST spike, you tell me how much we are actually saving? Nothing at all.

The past five years have, as I said, been a very slow burn. People from every corner of the country have been hurt by the policies of this government. Whether they are in the country, the city or the urban fringe, it really does not matter. Government members can take their pick of where they want to look, and the message is the same and it is loud and clear. And I think all those messages are now coming home to roost. Whether you are going to be slugged by the extra costs of education or the changes to social welfare, or whether you are a single or a married person, you have been hit by the extra cost of living. If you are a growing family you have been through the extortionate process of having to take out private health insurance. If you are middle aged and find yourself made redundant, you have been forced to rely on a failed national employment service for assistance. If you are elderly you believed you would actually get $1,000 from the government—and that is what they all thought because that is what they were all told. If you are a self-funded retiree you have been slugged by the extra cost of the GST—and, boy, they hate that more than anything! If you are a resident in a caravan park, you unfairly pay more GST than anybody else. Why? Because you are living in what the minister at the time thought was a holiday camp, failing to realise that some people have no choice but to live in caravan parks. If you are a small business you have been highly damaged by the BAS nightmare of paperwork and then you find that the government has finally adopted some Labor Party policy to simplify it. You might be a single mum struggling to get by and hoping not to get breached by Centrelink. Or perhaps you are an ordinary motorist who believed the Prime Minister when he said that the price of petrol would not go up as a result of the GST, so you would be pretty upset.

If you are one of those people, or someone else who has had to endure the backward thinking, backward looking government of the coalition, you will know what I am talking about. So do all other ordinary Australians out there. This is not us saying these things: we are just passing on the information. My job out there as the federal member for Oxley is to relay to this parliament what my constituency is telling me—and this is what they are telling me. But it is not only in my electorate. Everywhere I travel around this country, on committees or on the other work I do, I get the same message. It is clear to me, so why is it not clear to the government? When you think about it, maybe the election results in WA and Queensland are
not so unusual at all. Maybe the people are actually speaking. If you look at it really hard, it all starts to make sense.

All governments and, I believe, all countries face the same problems we do from globalisation and the effects that it is having on their economies. But few governments could claim such enthusiasm in their approach to embracing the forces of globalisation as has the Howard government. Let me reassure you, Mr Deputy Speaker, that in the electorate of Oxley we are prepared to take on this and any other issue. With the effects of globalisation being felt by everyone, it is a force we must learn to control and use to our benefit. The Oxley electorate is based on a rural city, Ipswich, but it is also very close to the capital city, Brisbane. For want of another term, it could be called an outer urban fringe. It is these types of places in Australia that are most at risk and that have suffered the most under this government. My electorate suffers from having some low income areas and areas of high unemployment. It suffers also from the lack of commitment by this government to do something about the problems people in my electorate face. (Time expired)

Ms LIVERMORE (Capricornia) (5.31 p.m.)—As we have just heard from the member for Oxley, there has been a lot of attention lately on opinion polls around the country. This scrutiny and extra attention has followed the Western Australian and Queensland election results and the obvious movement that is occurring in people’s attitudes and voting patterns. I am repeating a bit of what the member for Oxley has said in saying that the published polls are very interesting, but the opinion polls that interest me the most are the ones that you get from feedback when you are out and about in your electorate: the conversations that you have when you are going to the local bakery, dropping off your dry-cleaning or attending school functions.

It has been particularly clear in the last two weeks that a common theme is coming through in those casual conversations. People just cannot believe how out of touch John Howard and his government are. People are asking all the time now, ‘Doesn’t John Howard know what is happening out here? Doesn’t he know how hard it is for families, small businesses or community organisations to make ends meet, let alone prosper or even think about extra goals that they might like to achieve?’ I have to tell the people that I speak to that I really cannot answer those questions, because I am a bit like them: I cannot believe that all the feedback can come to John Howard and his government representatives and still there seems to be no sense that they are empathising with the Australian community.

I think that the only way to explain it—and certainly the more that I see of the Prime Minister, the more I think that this is the answer to the riddle—is that he comes from a different world from most Australians. This government is a government of the privileged and it is for the privileged. That does not make it any easier for the people in Central Queensland to cop. But at least it helps them to understand what motivates the government and why nothing the Prime Minister says makes any sense to them, whether they are a disabled pensioner, an average wage earning family or a single parent struggling to bring up a family.

There is one example in my electorate that to me sets out the stark contrast between the world the government knows and cares about and the world that many Australians are living in. It is the government’s decision last year on school funding. In Central Queensland I am already seeing what happens when you have a government that has a funding bias against public education. If the Howard government does not see the need to inject more funds into public education, I know that schools in Central Queensland will continue to suffer. That means that students, parents and teachers will all suffer. When our schools suffer, our communities suffer and, by extension, so does the future of this country.

The Howard government last year announced that it would pour millions of dollars into 61 of Australia’s elite schools. I can assure the member opposite that none of those is in Central
Queensland. That was very generous, and I am sure that Mr Howard is being applauded at speech nights and Head of the River regattas right across Australia. But these schools need the funding the least, and this funding is being provided at the expense of public schools and other non-government schools.

A chronic teacher shortage is starting to emerge that, if not addressed, will result in a crisis in education over the next few years. Indicative of this is the rapid decline in the number of available relief teachers in Central Queensland, a situation that came to my attention a couple of weeks ago. The shortage is felt acutely in Rockhampton, where schools are making up to 60 phone calls a day trying to locate one relief teacher. The situation is worse the further west you go into the smaller communities of Central Queensland. The Commonwealth has an obligation to provide sufficient funding and resources to help state schools cope with these pressures.

If you think about the make-up of relief teachers, they are usually teachers who have left full-time employment for family or health reasons. Often they are teachers who just wanted a small break but wanted to keep their link with the profession. Now that the pressures on teachers are becoming so great, those teachers are leaving the education system altogether and really not wanting a bar of it. I cannot blame them, because there is such a lack of support—both real support and moral support—from this government for the teachers who do the very important work of providing quality education to our young people day in and day out.

While teachers are there doing an exemplary job for the community and families, the Minister for Education, Training and Youth Affairs, Dr Kemp, comes into this House almost on a daily basis—although he has given us a certain reprieve in the last couple of months—and attacks teachers. How does that encourage people to want to become teachers, or encourage teachers already in the profession to go the extra mile for their classes, students and schools, when they are being attacked? It is very hard to imagine teachers feeling that they are in a valued profession and that they really want to continue in that career when the minister for education in this country does nothing but attack their professionalism and their value to our community.

The hallmark of this government is to advantage the privileged and to either punish or ignore the needy. This kind of mean-spiritedness is outrageous, and it is eating away at the government’s standing in the community. Even worse than that, it is eating away at the very heart of our community. Not only does the Howard government have it in for ordinary school children in the public school system but he also wants to make life tougher for those who cannot fit in. Gerard Henderson’s history of the Liberal Party, *Menzies’ Child: the Liberal Party of Australia: 1944 to 1994*, helps us to understand why the Prime Minister is so mean-spirited to people less fortunate than himself. Gerard Henderson tells us in that book that the Prime Minister lived a sheltered life, where he was protected from the hardships and poverty even just a couple of suburbs away. Henderson points out that, so narrow was Howard’s environment at that time, he was unaware of the poverty in neighbouring suburbs.

Four decades later, he either remains ignorant of the social problems in Australian society or just does not care about them. It seems to be a matter of ‘out of sight, out of mind’. While the Prime Minister’s upbringing was one of privilege, he has not developed any affinity or empathy with people less fortunate than himself. That is why he fails to understand the hurt that the GST and high fuel prices are causing in the community, both in the cities and in regional areas, such as my electorate. Life is not easy for everybody, and that is why it is important that we have a caring government and a caring Prime Minister to ensure that no Australian is forgotten. We have not had such a government in the past five years.

I wonder whether Mr Howard or his ministers have ever visited a full service school. At the moment there are two full service schools operating in my electorate—one in Rockhampton
and one in Yeppoon on the Capricorn Coast. The Labor Party, back in 1993, recognised the need for school based programs to assist students at risk of not completing year 12. Labor had already made great advances in increasing retention rates, and we were not prepared to give up on young people experiencing difficulties in the mainstream school system. Labor provided $7 million a year for the Students at Risk program, which ran until 1996 when the Howard coalition government came to office. The coalition did not continue the funding at that time, so there was no Commonwealth assistance in 1997.

Realising the error of its ways, the Howard government provided $18 million over three years—only $6 million a year—for the full service schools program, which had similar aims to Labor’s Students at Risk program, but obviously on a smaller scale. Now the Howard government, in its wisdom, has closed down the full service schools program and has offered nothing in its place. The program stopped receiving funding at the start of this year. Just through a historical anomaly, the funding for the Rockhampton and Yeppoon full service schools will continue until June, but that is it.

The way in which full service schools operate in my electorate receives a great deal of support from local high schools. Students who are not willing to attend high school or who have been suspended or expelled for various reasons, or who just do not fit into the mainstream high school system, with its rules and regulations and a teaching environment where you might have one teacher for 20 or 30 students, are able to go to the full service schools and have much closer interaction with their teachers and the other students. They are often students who have multiple problems at home. They might come from a violent family background, they might be homeless, or they could be students who have had trouble fitting in with the demands and requirements of ordinary schools.

At the full service schools, they are taught by fully qualified teachers and they are able to continue their education in a more conducive environment—one that gives them a bit of independence and autonomy, treats them as adults and is sensitive to their special needs that might arise from the difficulty in their personal lives. That is not to say that our local schools are not able to do those things, but they quite freely admit to me, when I have spoken to them about it, that they just do not have the resources or the teachers available to give that kind of one-on-one special attention to these students who, at a standard school, are expected to fit into the curriculum, the timetable and the structure of the school. At the full service schools, there is far more individual attention given to these students, and they are finding success in their studies as a result.

I attended a graduation function at the Rockhampton Full Service School last year. I heard some great stories of young people who thought that their education had finished because of behavioural problems at school or difficulties with their families, but through the full service school program they had been able to go on and pass subjects, and in some cases graduate from either junior or senior classes. This is a great program. The community thinks it is a great program; the schools think it is a great program; the families and students involved think it is a great program. But the funding stopped across Australia at the end of last year, and for my electorate the funding will stop in June this year.

What does the Prime Minister think will happen then? Does he think that, by ignoring it, the problem will go away? Does he expect the Queensland public school system to take them over completely? If so, where is the extra funding? State schools have endeavoured to take over management of the full service schools. Of course, they are serious and professional about providing education for all. But they just cannot do that forever without proper funding and without resources. I know that Beth Bishopric, the coordinator of the Yeppoon Full Service School, is putting her heart and soul into what is left of the program before it faces an uncertain future without federal funding. In doing so she has the full support of the local council and the local community.
Mr Howard, on behalf of the community of Central Queensland who have seen the success of the Full Service Schools Program, it is a fact of life that there are young people in our community who cannot fit into the education system as we expect them to. It is a fact of life that not everybody is as fortunate in getting a good start in life, as Mr Howard clearly did. Not everybody comes from a wealthy family and not everybody has the opportunities the Prime Minister imagines they do. Other approaches are necessary if students at risk are to receive the life skills a good quality education will provide.

We can only speculate as to what happens when these students have no other options—and remember, we are only a few months away from those options drying up. The lucky ones will find a job of some description, but their career opportunities will be severely limited. What of those who do not find work? Their unemployment will create more pressure on our social security system. Crime will increase, and I think we can say that with a degree of certainty. That is why the local government and the local communities of Central Queensland have gotten behind the Full Service Schools Program. They understand that, without an education, the future for these kids is very bleak indeed, and that has implications for all of us.

When you have spent time with these students and the teachers who are dedicating their careers to providing this alternative to the mainstream school system so that these kids can have an education or a second chance at an education, and when you have talked to the state school principals and teachers around Central Queensland who have seen the benefits of having this alternative school system available to kids in Central Queensland, you have to ask: why does the Prime Minister insist on pouring an extra $145 million in funding into 61 of Australia's most elite schools and then giving a pittance to other non-government and government schools? Why are the full service schools getting short shrift? They are getting absolutely nothing as of this year.

I have spent time with the students and the staff at the full service schools in my electorate. I have also talked to the principals of the state schools in the area. This is not about trying to pigeonhole these kids. This is not about trying to flick-pass responsibility for their education. It is all about recognising that this has been proven to succeed for quite a large number of students in Central Queensland. The state schools know that they cannot do what is required to give these students the kind of specialised attention that the Full Service Schools Program can. My heart goes out to them and to the state schools that are trying so hard to make sure that these students are looked after. I understand that their budgets are stretched to the limit because of what they are trying to do for the kids who are in the mainstream curriculum.

There is no fairness in the Howard government’s education policies. The fact that they can so easily ignore what is going on at the grassroots level in the communities shows that they are completely unconcerned about issues of fairness. I am concerned about issues of fairness. I think the education system, above all else, has to be predicated on fairness, equality of opportunity and quality of outcomes. That is what we are trying to achieve for all students in Central Queensland.

There are those at non-government schools and state government schools who find that the system suits them just fine—and that is the vast majority of students. But we run a very big risk in our society if we allow the students who do not fit into the state school system to be marginalised at an early age. They are the kinds of young people who are at high risk of suicide. They are at high risk of committing crimes if their lack of literacy, numeracy and life skills is allowed to go unaddressed. We will all pay a very high price if these students are not given a chance.

I cannot believe that the government can just let this program fall into oblivion. From all of my research at the end of last year, this seems to be the case. I would like to think there has been enough outcry not only from people on the Labor side but also in the government ranks.
for the government to come up with solutions or some commitment to this program. The need for this program has been seen in the past. That is why it was continued from 1997 to 2000. The need has certainly not disappeared. What is the government going to do for those two schools in my electorate, particularly come 30 June when the funding runs out and the doors close? There will not be any support in the community for that. I would like the government to come up with some options for the communities of Central Queensland who want to do the right thing by these at risk young people.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.50 p.m.)—I would like to thank honourable members who have contributed to the very wide ranging, substantial and long-lasting debate on the Appropriation Bill (No. 3) 2000-2001 and cognate bills that are currently before the chamber. Because of time constraints and the necessity, no doubt, for my good friend the honourable member for Hunter to meet another commitment, I will restrict what I say to less than the full 20 minutes which have been allocated to me. Given the nature of appropriation bill debates and the fact that every member is able to talk to the parliament about every concern, it clearly is not possible for me, in summing up on behalf of the government, to touch on every contribution.

Mr Fitzgibbon—Why not?

Mr SLIPPER—I would be very happy to do so if the appropriate extension of time were to be granted, but I think that most people are very keen for the parliament to adjourn on time, so I suspect that I will not be given the opportunity to respond to every point made by every person. Appropriation bills provide, however, a valuable opportunity which is not always available to members to talk about local matters, matters on a macro level and, indeed, matters of particular interest. We ought to welcome and encourage people to continue to participate in appropriation debates, as has occurred on this occasion.

The parliament has been debating the additional estimates appropriation bills, including Appropriation Bill (No. 3) 2000-2001. These bills embody the continuing commitment of the government to sound financial management of the Commonwealth. As I said before, a long list of speakers presented themselves to address the parliament. In doing so, they discussed a broad range of issues, including the general state of the economy, the introduction of the goods and services tax and the administration of a range of government programs. I have outlined why it is not possible to touch on every individual contribution. I would like to thank members for the spirit in which they have contributed to this debate.

The 2000-01 additional estimates support the 2000-01 budget, which addressed the government’s key social and economic priorities, including implementing a fair, modern and effective taxation system, improving the living standards and future economic prospects of all Australians, supporting rural and regional Australia, which was so neglected by Labor, and strengthening families and providing a fairer welfare system.

Mr Deputy Speaker, I am certain that you will agree that the government has placed Australia in a strong fiscal position. The government is justifiably proud of its achievements. The budget is in surplus for the fourth year in a row and will be in surplus throughout the forward estimates. This means that the government is continuing to act responsibly. It is not spending money that it does not have and it is not running up debts in the way that the former Labor government did. In fact, we did not create the debt problem, but we have accepted the responsibility for fixing it. In doing so, the government has been paying off debt. By June this year, we will have paid back over $50,000 million—$50 billion—of Labor’s $80 billion debt. Under Labor, mortgage rates peaked at 17 per cent and small business lending rates at 20 per cent. Under this government, official interest rates have fallen to 5.5 per cent and, as a result, households with a $100,000 mortgage save around $3,200 each year. An impressive achievement is that today there are around 780,000 more Australians in jobs than there were five
years ago. Unemployment has fallen below seven per cent and has remained there for the last year.

Like the last four budgets, this budget contained no increase in company tax, wholesale sales tax or income tax. In fact, we introduced the largest income tax cuts ever to come into force in Australia, we have cut the company tax rate to 34 per cent and we abolished the wholesale sales tax. For the financial year 2001-02, the company tax rate falls to 30 per cent. History will record that on 1 July last year we introduced a new tax system, which brought one of the largest structural changes to the Australian economy—probably the largest since World War II. We have reformed income tax, indirect tax, family assistance and Commonwealth-state financial relations. Every taxpayer has received an income tax cut.

The government’s new tax system includes a significant reduction in income tax—worth around $12 billion a year—which is a result of both an increase in the tax-free threshold and reductions in most marginal rates. These changes mean that 80 per cent of Australians pay a top tax rate of no more than 30 per cent. Our old tax system was outdated and inefficient. It forced exporters to sell products overseas with taxes built into the price while the rest of the world let their exporters sell to world markets tax free. It also put a disproportionate tax burden on manufacturers. By abolishing wholesale sales tax, lowering capital gains tax and lowering the company tax rate we are removing these shackles from our exporters and manufacturers. We are building an internationally competitive business tax regime.

Every dollar raised by the goods and services tax is paid to state and territory governments. It is money that will provide the schools, the hospitals, the police and the roads of the future. The days of state governments having to rely on financial assistance grants from the Commonwealth are now over. Access to GST revenues also allows the states and territories to abolish a range of narrow and inefficient taxes. Bed taxes have been scrapped and, on 1 July this year, stamp duties on shares and the financial institution duty will be abolished.

I want to touch on a comment made by the member for Capricornia. She accused the Prime Minister of being from a wealthy family. I do not think anyone could seriously accept that particular assertion as being even remotely correct. The Prime Minister’s family worked very hard, they achieved, and it is wrong for the member for Capricornia to accuse the Prime Minister of coming from a very wealthy family.

Mr McArthur—He sold petrol, competitively.

Mr SLIPPER—that is true, as the member for Corangamite accurately points out to the chamber.

In his contribution to the debate the honourable member for Melbourne moved an amendment to the Appropriation Bill (No. 3) 2000-2001. The amendment has 10 parts and it seeks to cover every area of governmental policy. The House will not be surprised to hear that the government does not accept the amendment moved by the honourable member for Melbourne.

Opposition members interjecting—

Mr SLIPPER—I know that the members opposite who are interjecting are in fact disappointed by that. But when one looks at the quite nonsensical claims, at the grab-bag of accusations contained in the amendment moved by the member for Melbourne, it is patently clear that no-one could seriously contemplate accepting such an amendment. I am quite confident that the House will reject the amendment moved by the member for Melbourne. The amendment is inaccurate and misleading. The accrual budgeting framework offers significantly better information on the budget in, for example, the alignment of the appropriation bills with the portfolio budget statements and annual reports. The government has invested substantially more in education—and that is a point that the honourable member for Capricornia ought to notice—and has also invested substantially more in health and social services, particularly
through the strong revenue base provided to state and territory governments. The government therefore does not support the amendment; rather it stands by the high quality of its programs. These bills represent sound, continued administration by the government.

In conclusion, Appropriation Bill (No. 3) 2000-2001 is part of a fiscally responsible budget that delivers the government’s fourth consecutive budget surplus and provides for further reductions in government debt. I commend the bill to the chamber.

Amendment negatived.
Original question resolved in the affirmative.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

APPROPRIATION BILL (No. 4) 2000-2001
Second Reading
Consideration resumed from 29 November 2000, on motion by Mr Fahey:
That the bill be now read a second time.
Question resolved in the affirmative.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

APPROPRIATION (PARLIAMENTARY DEPARTMENTS) BILL (No. 2) 2000-2001
Second Reading
Consideration resumed from 29 November 2000, on motion by Mr Fahey:
That the bill be now read a second time.
Question resolved in the affirmative.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

REMUNERATION TRIBUNAL AMENDMENT BILL 2000
Second Reading
Debate resumed from 29 November 2000, on motion by Mr Slipper:
That the bill be now read a second time.

Mr FITZGIBBON (Hunter) (6.02 p.m.)—After that highly politicised speech from the Parliamentary Secretary to the Minister for Finance and Administration in which he made a number of unfounded claims about the government’s economic credentials and record on this very day when we learn that the economy has gone into recession, or is bordering on recession, I am pleased to inform the parliamentary secretary that the opposition will be supporting the Remuneration Tribunal Amendment Bill 2000.

The bill will establish a more rigorous framework for the classification of remuneration of public sector principal executive offices. It gives an expanded role to the Remuneration Tribunal and to the Minister for Finance and Administration. The minister is given the power to, one, create principal executive offices by declaration; two, declare the employing body and the classification band or level in the principal executive office classification structure to which the office will be assigned; three, set the commencing remuneration for the office; and, four, assign an office into a particular classification temporarily and/or to identify a level of commencing remuneration which is person specific. We note that, before exercising any of these powers, the minister must seek advice from the Remuneration Tribunal and take that advice into account, and that all ministerial declarations are to be published in the Gazette.
The Remuneration Tribunal’s role in this process is enhanced by, one, allowing the tribunal to make recommendations to the minister on the classification and commencing remuneration to apply to each principal executive office; and, two, specifying that the employing body of a principal executive office may determine terms and conditions for the office only in a manner that is consistent with the Remuneration Tribunal’s classification structure for principal executive offices or in accordance with specific written advice received from the tribunal.

Currently, it is the Governor-General who has the power to create a principal executive office by regulation, and the Remuneration Tribunal which determines the classification structure for principal executive offices. But neither has the power to determine the level of remuneration. This is done by the governing board and the employing body. We consider the measures set out in the bill to be an improvement on the current system. We note that the arrangements for transparency and accountability are similar to those the opposition agreed to, in the context of the Public Service Bill, for determining the remuneration of secretaries to government departments.

In the context of transparency, the government must now turn its attention to the fuel grants scheme. The Minister for Financial Services and Regulation again today misrepresented me by saying I had told the House that Labor would abolish the scheme. That is simply not true. What I said was that Labor would ensure that the money allocated to the scheme—now somewhat more than the government predicted—goes to the consumers, the people for whom it is intended. This is a scheme that must be revisited by the government. It is clear that the city-country price gap in petrol prices is on the increase, and I suspect that the government will pay for that at the ballot box, come the election this year.

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (6.06 p.m.)—in reply—It is obvious that my friend opposite, the honourable member for Hunter, is in a hurry. I have never known such a short speech to be delivered in this place so quickly.

Mr Kelvin Thomson—We never hear a short speech from you.

Mr SLIPPER—I have a lot of very sensible things to say, as the member for Wills would obviously concede. When introducing the Remuneration Tribunal Amendment Bill 2000 I noted that the proposed amendments to the Remuneration Tribunal Act 1973 are designed to support the policy objective of building a remuneration environment that attracts and retains the best people in the Commonwealth public sector, against high standards of accountability. It is interesting that both sides of the House clearly share this policy objective. I thank the honourable member for Hunter for his contribution to this debate.

The Remuneration Tribunal Amendment Bill 2000 clarifies the respective roles of the tribunal and the responsible minister, currently the Minister for Finance and Administration, in relation to principal executive offices. The classification structure for principal executive offices issued by the tribunal on 7 December 1999 as determination 1999 No. 15 consists of five remuneration bands, with broad rules and defined boundaries. Its detail mirrors in many ways the arrangements that were put in place by the tribunal for departmental secretaries in early 1999. It allows for a total remuneration approach, with limits for annual variations in remuneration and productivity based bargaining.

The bill ensures that the role of the Remuneration Tribunal in relation to the classification structure for principal executive offices is a controlling role, while allowing employing bodies, to the greatest extent possible and appropriate in a public sector context, to engage in productivity based bargaining with offices in the structure. It removes the need for the government to ensure, by administrative means, the compliance of employing bodies with the Remuneration Tribunal’s guidelines on principal executive offices and the principal executive office structure.
The government initiated this bill after discussions with the Remuneration Tribunal. The legislation is designed to enhance the role of the tribunal and to reinforce its decision making and coordinating role in the remuneration of Commonwealth public office holders. It also spells out clearly the process for translating public offices into the principal executive office structure. The changes that are proposed in this area, including giving the Minister for Finance and Administration the responsibility to make declarations for principal executive offices, reflect the increased activity that is expected to occur in this area as an increased number of offices are declared to be principal executive offices. As I informed the House when I presented the bill, there are currently 11 principal executive offices. The government hopes to increase this number significantly. Because of the large volume of offices involved, we believe that allowing the minister to declare an office, with notification through the *Commonwealth of Australia Gazette* for the public record, is the best way of transacting this reform.

The interests of accountability are also served by allowing the Minister for Finance and Administration in consultation with the Remuneration Tribunal to set the classification band or level in the principal executive office classification structure to which the office will be assigned and to set the commencing remuneration for the office or for a particular person in an office.

The bill balances the interests of a decentralised decision making system and employer and employee relationships in the Commonwealth with the public interests of maintaining a single framework for the salaries of public office holders in the Commonwealth and a high level of public accountability. Mr Deputy Speaker, I commend this bill to the chamber.

Question resolved in the affirmative.

Bill read a second time.

**ENVIRONMENT AND HERITAGE LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000**

Consideration resumed from 8 February.

**Second Reading**

*Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage)* (6.11 p.m.)—I move:

That the bill be now read a second time.

The purpose of this bill is to make consequential amendments to certain offence provisions in legislation administered within the Environment and Heritage portfolio. These amendments are intended to ensure that when chapter 2 of the Criminal Code Act 1995 (the Criminal Code) is applied to pre-existing portfolio offence provisions, from 15 December 2001, those provisions will continue to operate in the same manner as they operated previously. If legislation containing offence provisions were not amended in the ways proposed by this bill, the Criminal Code may alter the interpretation of existing offence provisions. Chapter 2 of the Criminal Code, which contains the general principles of criminal responsibility, has been applied to new offences since 1 January 1997. It will apply to all Commonwealth offences from 15 December 2001. Chapter 2 of the Criminal Code adopts the common law approach of subjective fault based principles. It adopts the traditional distinction of dividing offences into actus reus and mens rea but uses the plainer labels of physical elements and fault elements.

The general rule is that for each physical element of an offence it is necessary to prove that the defendant had the relevant fault element. The prosecution must prove every physical and fault element of an offence. The physical elements are conduct, result of conduct and circumstances of conduct. The fault elements specified in the code are intention, knowledge, recklessness and negligence. The default fault elements, which the Criminal Code provides, will
apply where a fault element is not specified and where the offence or an element of the offence is not specified to be a strict or absolute liability offence. These default fault elements are intention for a physical element of conduct and recklessness for a physical element of circumstances or result.

A fault element can only be dispensed with in relation to an offence, or in relation to a particular element of an offence, if the offence specifies that it is a strict or absolute liability offence, or that a particular element is a strict or absolute liability element. In the absence of express reference to the fact that an offence is either a strict or absolute liability offence, after the application of the Criminal Code, the offence would not be interpreted in the same way as it would before the application of the code. In other words a court would be obliged to interpret an offence provision as a fault offence and no longer as a strict liability offence, and would require the proof of fault elements in relation to the physical elements.

I have also taken the opportunity presented by the harmonisation process to make several additional amendments that bring the portfolio’s legislation more closely into accord with the Criminal Code which is that defendants generally should bear an evidential and not a legal burden. Items 15 to 16 of the bill change the burden of proof on the defendant in subsection 8(2) of the Antarctic Marine Living Resources Conservation Act 1981 from a legal burden to an evidential burden. Similarly items 37 to 39 of the bill amend subsection 21A(4) of the Antarctic Treaty (Environment Protection) Act 1980 to change the current legal burden on the defendant which is to ‘prove’ the defence in subsection (4) to an evidential burden. These are desirable amendments because they harmonise the acts with the code and they have been approved by the Prime Minister and the Minister for Justice and Customs.


Mr KELVIN THOMSON (Wills) (6.16 p.m.)—The Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000 amends a number of pieces of legislation administered by the Department of the Environment and Heritage to reflect the application of the Criminal Code to all Commonwealth offences. These amendments are intended to ensure that, from 15 December this year when chapter 2 of the Criminal Code Act 1995 is applied to pre-existing portfolio offence provisions, these provisions will continue to operate in the same manner that they operated previously. If legislation containing offence provisions were not amended, the Criminal Code might have altered the interpretation of existing offence provisions.

I have already given to the Main Committee the benefit of my understanding of the difference between strict liability and absolute liability. I do not think that members will profit from hearing it again. I have also had the benefit of information supplied to me by the member for Dunkley concerning the second reading contribution given by Senator Bolkus in another place. That was a very comprehensive contribution and covered the matters raised by this legislation in considerable detail. I have also had the benefit of a description of the various acts being amended from the parliamentary secretary and do not feel any need to repeat that either. So, having said those things, I will indicate to the House that the opposition supports this legislation.
Mr BILLSON (Dunkley) (6.17 p.m.)—I commend the member for Wills for his contribution and look forward to the test we are all going to have afterwards about the provisions of the Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000. Let me just acknowledge the contribution from Hamish Campbell of Environment Australia and Jeremy Johnson from my own office. Hamish’s legal background and Jeremy’s former life with the police force helped me to live these provisions a little bit, because it is not always extremely clear to a non-legal type like myself exactly what the provisions provide for. But I am enlightened now and I am grateful for that, and I have benefited from the contribution of the member for Wills as well.

The bill before us today is an important bill. The fact that so few have spoken on it does not diminish the importance of the bill. It is true to say that it is very much a technical bill which revises the criminal offences in the legislation administered by the Department of the Environment and Heritage to correspond with the principles of criminal responsibility contained in chapter 2 of the Criminal Code Act 1995. However, the importance of this bill is in the fact that it maintains the currency of criminal offences and avoids, as a result of the application of the Criminal Code, a subtle change or variation in the nature of those offences in the way environmental legislation is administered. As the precarious and, at times, fragile nature of our environment becomes more understood, the importance of having legislation that supports the proper care and management of these natural systems and provides for proper recourse to the legal system where parties act contrary to the legislation becomes more apparent. Clearly, with any system of sanctions the correct balance needs to be found between the carrots and sticks, between encouragement to act in the best interests of the environment and punishment for wilful noncompliance with environment regulation.

This bill can rightly be seen as furthering the work the Howard government started in 1999 with the Environment Protection and Biodiversity Conservation Bill. What the government began then and continues to work to do now is to develop a comprehensive, effective and efficient approach to environmental management. How we handle offences and the sanctions that follow is a part of that. This approach ensures that resources are focused on delivering the best environmental outcomes possible at all levels. The bill enhances this work by ensuring that the penalties which are attached to various environmental laws operate efficiently and as intended. Importantly, it combines the reforms the government is implementing through the Criminal Code and reforms undertaken to environment legislation more generally to ensure that the system of laws we administer achieves what it aims to achieve. This system clearly articulates the rights and responsibilities of people carrying out activities covered by environmental laws. Most importantly, it is a clear, logically defined, regulatory approach that ensures the best outcome for our environment.

Some of the criminal offences covered by the various environmental bills which this legislation covers are known—as has been described very eloquently by the parliamentary secretary—as strict liability offences. Strict liability offences do not require the prosecution to prove the intention of the defendant to commit the offence, only that the offence occurred. These are the actus reus or physical elements of the offence. Other offences require that the mens rea or fault elements of the offence be proved—that is, the elements relating to the defendant’s state of mind; for example their intention, knowledge, recklessness or negligence. The bill ensures that the intention of the original legislation in terms of these different types of offences is maintained, while harmonising various environment acts with the Criminal Code Act 1995.

I sought to obtain, with the help of Hamish and others, a practical living example. The example I draw from is item 20 in schedule 1, which will amend section 16 of the Antarctic Marine Living Resources Conservation Act. Section 16 deals with the power of inspectors. The item inserts new subsection 16(6A) and subsection 16(6B) into section 16 of this particular
act. Under subsection 16(6), a person who, without reasonable excuse, fails to comply with a requirement made of him or her by an inspector under section 16 is guilty of an offence. This is a strict liability offence—simple noncompliance amounts to an offence. The amendments made to the section ensure that it remains a strict liability offence by specifically indicating that this is the case.

The new subsection 16(6B) also provides for subsection (6) not to apply. In other words, it will not be an offence if the person has a reasonable excuse, and indicates that the defendant bears an evidentiary burden in relation to that matter. As an offence of strict liability it will not be necessary to establish intention on behalf of the defendant; it will only be necessary to establish the physical elements of the offence. I am certain we all feel better knowing that that is being maintained into the future. If, for example, the inspector under subsection 16(3)(b) required a person to produce a permit when the inspector found that person doing an act for which a permit was required, and the person failed to comply with that requirement, it would not be necessary to prove that they intentionally failed to comply with the requirement in order to secure a conviction. If the person in the above example can discharge the evidential burden in relation to establishing a reasonable excuse, then the prosecution will have to prove that the person did not have a reasonable excuse before the person can be found guilty of an offence. You can see why legislation draftspersons are very serious individuals, Mr Deputy Speaker.

Clearly, if the application of the Criminal Code Act were to result in the offence changing from a strict liability offence to an offence requiring proof of fault, then this would be an unsatisfactory outcome or a change in the law in its application and intent. Likewise, changing offences requiring the proof of fault to strict liability offences would also be unsatisfactory. So these technical amendments are important. Criminal offences are an integral part of the environment legislation, although they must always be incorporated with a degree of caution. The use of physical element or strict liability offences and fault element offences in relation to various environmental acts provides for varying degrees of offences and so enables them to be graduated and to be used and applied when trying to get the balance right when dealing with persons offending against environmental legislation.

The difficulty when considering criminal offence provisions relating to environmental legislation is the wide variety of potential offences and the varying degrees of seriousness of the breaches of provisions of environmental acts. It is necessary to formulate offences for the dumping of rubbish, as an example, which cover the dumping of household waste on a small scale—perhaps showing an indifference to our environment—compared to a systematic dumping of large and at times commercial amounts of rubbish, where the outcome is not only disrespect for our environment but also financial gain. The dumping of household rubbish on a small scale may be motivated by a desire to escape tip fees, a disregard for the important ways of disposing of these wastes or simple laziness. The dumping of large amounts of waste is more likely to be to avoid paying the costs associated with the disposal and for commercial gain.

In the future it will become even more expensive to dispose of waste properly and, as the amount of waste increases and the availability of suitable dumping sites decreases, we will have an increasingly significant challenge for our legislatures. By maintaining this distinction between the nature and intent of the offender and the penalties that follow, we can get that balance right so that we are not being too heavy handed when minor breaches occur. A reasonable punishment that is aimed at the lower end of the offence spectrum may not be a sufficient deterrent for someone motivated by commercial gain.

Unfortunately, our environment cannot always sustain the damage that is inflicted on it when environmental legislation is ignored. If we are not very careful, the costs associated with the damage to our environment and natural systems will be borne not only by this gen-
eration but also the next. This legislation is important because it takes us a little step closer to ensuring that the criminal offence provisions of our environmental legislation are relevant, are as meaningful as possible and do what they were intended to do when the legislation was enacted.

The government will continue to ensure that the legislative framework within our nation operates in a user-friendly, predictable, transparent and as fair as possible manner while providing the protection that is required: protection that, in the case of environment legislation, is vitally important to the future health of our nation’s natural systems. I hope that provides some explanation as to what we are debating. I commend the bill to those gathered.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (6.27 p.m.)—The amendments proposed by the Environment and Heritage Legislation Amendment (Application of Criminal Code) Bill 2000 are designed to maintain the status quo. They are to ensure that criminal offences and related provisions continue to operate in the same manner as at present, following the application of the Criminal Code. If the amendments proposed by this bill are not made prior to 15 December 2001, then many existing criminal offence provisions in the Environment and Heritage portfolio will be constructed in a manner that is inconsistent with the Criminal Code’s principles. I want to thank the participants in this debate—the member for Wills and the member for Dunkley—for the bipartisan support that we have for this very important piece of legislation. It is, as the member for Dunkley has said, an essential part of ensuring we have a sustainable environment for the future and that natural resources are protected. I commend this bill to the House.

Question resolved in the affirmative.

Bill read a second time.

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

Main Committee adjourned at 6.29 p.m.