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

PERSONAL EXPLANATIONS

Mr CREAN (Hotham) (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 CREAN—I do, Mr Speaker.

Mr SPEAKER—The Deputy Leader of the Opposition may proceed.

Mr CREAN—Yesterday in the House the Minister for Financial Services claimed that I had been talking to New York investment bankers about the further sale of Telstra. Whilst I was in New York I was asked about Telstra. On every occasion I made it crystal clear that Labor will not support any further sale of Telstra. That position is unequivocal. I also pointed out that the coalition could not sell it either and that the PM was now taking the same position—

Mr SPEAKER—The Deputy Leader of the Opposition is not indicating where he has been misrepresented.

Mr CREAN—and that they should take that into account in assessing the true state of the budget.

Mr SPEAKER—The Deputy Leader of the Opposition can only indicate where he has been misrepresented.

Mr CREAN—Joe Hockey’s willingness to talk down the Australian economy is well known, but his desperation knows no—

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

EXCISE TARIFF AMENDMENT BILL (No. 1) 2001

First Reading

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

Second Reading

Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.32 a.m.)—I move:

That the bill be now read a second time.

The Excise Tariff Amendment Bill (No. 1) 2001 contains amendments to the Excise Tariff Act 1921.

The amendments contained in the bill have been previously tabled as Excise Tariff Proposals Nos 1, 2 and 3 of 2000, and Nos 1, 2 and 3 of 2001. These proposals now require incorporation in the Excise Tariff Act. The first proposal of 2000 is a budgetary measure and the other two are amendments resulting from tax reform policies. Proposals Nos 1 and 2 of 2001 are minor amendments to correct technical deficiencies relating to the Product Stewardship (Oil) arrangements, and proposal No. 3 of 2001 gives effect to the package of cuts to fuel taxes announced by the Prime Minister on 1 March 2001.

Aviation kerosene

Amendments in the bill relating to aviation kerosene, commonly known as avtur, give effect to a measure announced in the 2000-01 budget to increase the rate of excise duty for avtur by 0.036c per litre to 2.795c per litre. All revenue raised through this increase will be used to fund airport regulation activities by the Australian Competition and Consumer Commission (ACCC).

As part of the airport privatisation process, the government introduced a framework for economic regulation of airports in 1997. These regulatory arrangements have been designed to achieve an appropriate balance between public interest and private commercial objectives. The ACCC has primary responsibility for implementing and administering the framework of economic regulation at the privatised airports and Sydney airport.

The regulation activities for airports are more extensive than originally envisaged and require more funding. An increase in the rates of excise and customs duty for avtur was considered an administratively efficient method of cost recovery. The increase is taken to have effect from 13 May 2000 and
will provide $900,000 per annum to fund the regulatory arrangements.

**Alcoholic beverages**

Amendments in the bill relating to alcohol incorporate changes to the excise duty on alcoholic beverages arising out of the government’s policies on tax reform for alcohol. These policies were outlined in the document, ‘Tax Reform: not a new tax, a new tax system: The Howard government’s Plan for a New Tax System’.

Three main alterations are proposed, all of which were implemented on 1 July 2000.

Firstly, the rate of excise on currently excisable beverages is increased to offset the removal of the 37 per cent wholesale sales tax. Secondly, a three-tiered duty rate structure for beer, based on alcohol content, is introduced. The excise-free threshold for beer of 1.15 per cent alcohol by volume will remain.

The last change is to bring to excise those alcoholic beverages, such as designer drinks, coolers and the like, which were previously non-excisable and not subject to the wine equalisation tax.

**Petroleum products—tax reform**

The tax reform amendments to petroleum products included in this bill are also driven by the policy document, ‘Tax Reform: not a new tax, a new tax system: The Howard Government’s Plan for a New Tax System’, which outlined the government’s commitment to maintain fuel prices for consumers as a result of the introduction of the goods and services tax.

Under the new arrangements introduced on 1 July 2000, excise duties are reduced for unleaded petrol, leaded petrol, diesel and potential fuel substitutes. These duty reductions are complemented by the Fuel Sales Grant Scheme, which provides grants to retailers of petrol and diesel in non-metropolitan and remote areas to address the divergence in fuel prices between the cities and regional areas. Taken together, these measures give effect to the government’s commitment.

**Product stewardship (oil)**

On 1 January 2001, goods classifiable to item 15 of the schedule to the Excise Tariff Act, namely petroleum based oils and lubricants and their synthetic equivalents, became excisable. These goods are those dutiable under the Product Stewardship (Oil) arrangements. Excise equivalent imported products are also dutiable at the same rate.

The number of decimal places in an excise rate is set in legislation. Unless all like products have a rate expressed to the same number of decimal places, indexation provisions may not apply correctly owing to the effects of rounding. The amendment changes the rate expressed from two decimal places to five decimal places.

The second set of amendments, which alter section 6G of the Act, are designed to allow set-offs of duty which have been previously paid, whether as a customs duty or a local excise duty. Under the existing system, customs duties paid on petroleum product which is to be used in further excise manufacture in Australia cannot be set off against the amount of excise payable on the final excisable product.

**Fuel tax reductions**

On 1 March 2001, the Prime Minister announced a package of cuts to fuel taxes.

Under the new arrangements introduced on 2 March 2001, excise duties are reduced by a further 1.5c per litre for unleaded petrol, leaded petrol, diesel and other petroleum products that attract equivalent rates of duty. Duty on aviation fuels and on those petroleum products attracting concessional rates of duty is reduced by a proportional amount.

Complementary amendments for equivalent imported goods are contained in the Customs Tariff Amendment Bill (No. 2) 2001.

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

I commend the bill and present the explanatory memorandum.

Debate (on motion by Mr Swan) adjourned.
CUSTOMS TARIFF AMENDMENT BILL (No. 2) 2001
First Reading
Bill presented by Mr McGauran, and read a first time.
Second Reading
Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.39 a.m.)—I move:
That the bill be now read a second time.

The Customs Tariff Amendment Bill (No. 2) 2001 implements alterations to the Customs Tariff Act 1995 which complement those contained in Excise Tariff Amendment Bill (No. 1) 2001.

The amendments contained in the bill have previously been tabled as Customs Tariff Proposals Nos 2, 3 and 4 of 2000 and No. 2 of 2001.

The first proposal is a budgetary measure. Proposals Nos 2 and 3 contain amendments which result from the implementation of tax reform. The last proposal proposes reductions to customs duty on a range of fuels.

I will briefly summarise the changes contained in the bill.

The customs duty on aviation turbine fuel is increased, with effect from 13 May 2000, by 0.036c per litre, in line with the change in the Excise Tariff Amendment Bill.

In respect of alcoholic beverages of chapter 22 of the customs tariff, the rates of customs duty are increased to offset the removal of the 37 per cent wholesale sales tax.

The bill also introduces a three-tiered duty structure for beer and a new duty structure for mixed alcoholic beverages. These amendments complement those contained in the Excise Tariff Amendment Bill.

The tariff amendment bill also creates separate tariff subheadings for alcoholic beverages subject to the wine equalisation tax.

The bill also reduces the customs duty on petrol and other fuels by 6.656c per litre to maintain fuel prices following the introduction of the GST.

The above amendments are effective from 1 July 2000.

Finally, the customs rate of duty on leaded and unleaded petrol and diesel fuel is reduced by 1.5c per litre, and by a proportional amount for other fuels, with effect from 2 March 2001.

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

Debate (on motion by Mr Swan) adjourned.

SYDNEY AIRPORT DEMAND MANAGEMENT AMENDMENT BILL 2001
First Reading
Bill presented by Mr McGauran, for Mr Anderson, and read a first time.
Second Reading
Mr McGauran (Gippsland—Minister for the Arts and the Centenary of Federation) (9.42 a.m.)—I move:
That the bill be now read a second time.

I am pleased to introduce the Sydney Airport Demand Management Amendment Bill 2001. The bill will make a minor change to the Sydney Airport Demand Management Act 1997 which will underpin the amendments to the Slot Management Scheme that the government announced on 13 December 2000. The scheme is a disallowable instrument made under section 40 of the act. The bill will ensure that the amended scheme is not subject to part IIIA of the Trade Practices Act 1974.

The government has concluded that Sydney airport will be able to handle the air travel demand over the next 10 years. The advantages of operating to the airport are so great that the airlines will adopt aggressive commercial strategies to maximise their use of the airport.

I am pleased to introduce the Sydney Airport Demand Management Amendment Bill 2001. The bill will make a minor change to the Sydney Airport Demand Management Act 1997 which will underpin the amendments to the Slot Management Scheme that the government announced on 13 December 2000. The scheme is a disallowable instrument made under section 40 of the act. The bill will ensure that the amended scheme is not subject to part IIIA of the Trade Practices Act 1974.

The government has concluded that Sydney airport will be able to handle the air travel demand over the next 10 years. The advantages of operating to the airport are so great that the airlines will adopt aggressive commercial strategies to maximise their use of the airport.

The government has reaffirmed its commitment to the existing operating arrangements at Sydney airport. We will not alter the curfew, the 80 movements per hour cap or the guaranteed slots for regional airlines. We will, however, make four changes to the Slot Management Scheme which will:
cap the number of regional slots allocated in peak periods at its current level;
encourage airlines progressively to introduce larger aircraft;
establish a minimum aircraft seat limit for allocating new slots, to be determined in consultation with industry; and
remove any risk that the major airlines could avoid the regional guarantee by migrating the regional slots held by their affiliates into non-peak periods.

The Department of Transport and Regional Services is drafting a discussion paper on these changes which will be released later this month.

I want to stress on behalf of the minister and the government that the Sydney Airport Demand Management Amendment Bill does not pre-empt our consultations on the details of the amendments to the scheme. It simply ensures that the amendments—whatever their final details—will be valid. The bill has to be introduced into parliament now to ensure that the scheme can be amended before the airline timetables for the northern winter 2001 scheduling season need to be settled.

I turn now to the main provision of the bill.

Schedule 1 of the bill will enable the Slot Management Scheme to differentiate between specified categories of aircraft movements, despite part IIIA of the Trade Practices Act.

The government’s policy on Sydney’s future airport needs will enable Sydney and Australia to benefit from the growth of air travel, while still protecting local residents and regional New South Wales.

The bill will underpin the government’s policy.

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

Debate (on motion by Mr Swan) adjourned.

THERAPEUTIC GOODS AMENDMENT BILL (No. 4) 2000
Second Reading

Debate resumed from 7 March, on motion by Mr McGauran.

That the bill be now read a second time.

Mr GRIFFIN (Bruce) (9.45 a.m.)—This is of course the same government, the Howard government, that told the Australian public that there would be no GST on health care. There is a GST on all of the low risk medicines that are covered by this bill, the Therapeutic Goods Amendment Bill (No. 4) 2000, and registered or listed on the Australian Register of Therapeutic Goods. Yet another GST lie to the Australian public—but I digress. Essentially, this bill moves the consideration of safety, quality and manufacturing standards criteria from the pre-market phase to the post-market phase. As Labor has already stated in the Senate, the risks associated with this change are just not acceptable.

While Labor believes that the majority of manufacturers and sponsors are responsible and will continue to ensure their products meet the required criteria, it only takes one unscrupulous company to potentially cause a major public health problem.

When balancing improved access with public health safety, Labor puts the health and safety of Australians first. The Howard government’s claims that this weakening of the listing process will free up additional resources for increased post-market monitoring is, as I have already said, a joke. Let us look at the government’s record on monitoring. Leaving the nursing home debacle aside, the TGA—and, more specifically, its Interim Office of the Gene Technology Regulator—has a dismal record, to say the least, and this too is a branch that is responsible for protecting the health and safety of the Australian public. I have already talked, in the Main Committee yesterday, about the IOGTR’s appalling record, but I would like to reiterate some of the points. Perhaps, as with petrol and BAS, if we say it often enough and loud enough this government might just listen and might just do something to address these crucial public health issues.
The IOGTR’s lax attitude to monitoring, reporting and transparency was criticised in June last year by the House of Representatives Standing Committee on Primary Industries and Regional Services. Just a month later, a Senate references committee revealed that, far from learning from its mistakes, the IOGTR continued to take its time over the investigation and reporting of serious breaches. Just last month the IOGTR was caught out misleading Senate estimates on its monitoring record. During the questioning of the IOGTR on 19 February, Senator Rosemary Crowley stated:

In the September quarterly report, you had monitored 20 per cent of the field sites during July and September—

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 says very clearly:

During the July-September 2000 quarter, the IOGTR conducted site inspections of approximately 20% of trial sites.

That brings me to the ongoing mess that continues to make headlines in Tasmania and across Australia. According to an audit conducted by the IOGTR recently, there have been breaches of 11 out of 58 GM crop trial sites in Tasmania. Four are reported to be substantial. Some of these trials finished three years ago and the IOGTR has only just now bothered to go down to monitor and audit the sites. The Tasmanian government is understandably furious that major breaches of trials have been left for three years. Tasmanians are further justified in their anger after being told of the breaches almost two weeks ago and still not being provided with a full report on the breaches or the audit by the IOGTR. Labor has heard that the IOGTR has had a copy of the full report since last Friday and is refusing to release it. And the minister responsible for the IOGTR, Dr Wooldridge, the Minister for Health and Aged Care, is now in contempt of the Senate for not providing information relating to the trial breaches as requested by a Senate motion passed last Thursday.

These are the bodies and the politicians that expect the Australian public to believe that they will effectively monitor the safety of low risk medicines after they are on the market. Labor do not believe that this government will fulfil its responsibilities in this area, and that is one of the reasons why we will not support this bill. As if this government’s atrocious monitoring record in the health and safety area is not enough to destroy public confidence, Australians are being asked to trust a group that has blatantly abused its power to influence the listing of pharmaceutical products. Over the last few weeks Australians have seen the minister for health trying to justify why he ignored advice from the independent Pharmaceutical Benefits Advisory Committee and listed a product at a price that was not cost effective. Just to really make sure that Australians are well aware of exactly which interests the government likes to pander to, the very same minister appointed a pharmaceutical company lobbyist to the PBAC.

This bill is a reflection of the Howard government’s model for governing. It deregulates to make things easier for industry. While the industry benefits of these changes to the Therapeutic Goods Act 1989 in terms of time and cost savings are obvious, any consumer benefits are less tangible. As I have already said, faster access to new products is not in itself a benefit when balanced against public health risk. Ask the Europeans at the moment whether they would forgo health and safety measures to gain improved access to any products. They are learning the hard way that deregulation and weakening of processes have some horrific downsides. Arguments from the industry that consumers will go to the Internet to obtain these sorts of products more quickly and could therefore put their health and safety at risk could be put aside if this government bothered doing
something to address that issue. Labor has called on the Howard government to deal with problems over the purchase of medicines on the Internet on two occasions in the last 12 months. The silence from the other side has been deafening. I would like to share with you my release of January last year on this issue:

The Minister for Health and Aged Care has been aware of the problems associated with buying drugs on the Internet without prescription since August 1998—and has done nothing about it ...

“On August 27, 1998, Dr Wooldridge announced that the government had fast-tracked the registration process of Viagra through the Therapeutic Goods Administration and the Australian Drug Evaluation Committee” ...

“Why? According to his press release issued on the same day “We wanted to make sure that a decision was reached as soon as possible to prevent the growth in a black market or via the Internet”.

“Either Dr Wooldridge is naive enough to believe that Viagra was going to be the only problem drug, or he chose just to ignore the problem and hoped it would go away.

“How else do you explain the lack of action from him or his Department since then?

“I assume lack of ideas may have something to do with it, as he has now asked medical and pharmacy organisations to come up with proposals.

“There are going to be no easy solutions to this problem, but a quick search of the Internet shows that the Clinton administration has recently proposed a new initiative to protect consumers from the illegal sale of pharmaceuticals over the 'Net. And, in 1998, the World Health Organisation released a guide on how to address the issue.

“I would be more than happy to pass on the web addresses for these sites to Dr Wooldridge as my contribution to his ideas drought.”

That statement was released in January 2000. What has happened since then? Nothing. The need for addressing sales of medicine on the Internet is as relevant to low risk medicines as it is to prescription medicines. One year later and, despite our offering the minister some help with relevant Internet sites to consider, the government has nothing in the way of policy to address these issues.

Just as an aside, it is interesting to note that the drug fast-tracked by Dr Wooldridge was another Pfizer product, Viagra. His concern about the black market use of this product is laudable; it is a pity that it did not extend to doing the same for another product, naltrexone, the inappropriate pre-TGA-listing use of which so worried the TGA that it led to changes to the Therapeutic Goods Act 1989 last year. That brings me back to the issue of how this government is influenced by industry pressure to the potential detriment of the health and safety of Australians. As the House is already well aware, Dr Wooldridge chose to announce the availability of the drug Celebrex to the Australian public via a press release that said, amongst other things:

It is as effective as non-steroidal anti-inflammatory drugs (NSAIDs) currently listed on the Pharmaceutical Benefits Scheme (PBS) for the treatment of arthritis, but it produces significantly fewer adverse side effects.

... ... ...

“The benefits of this drug include:

considerably less gastric irritation
less hospitalisation due to gastric bleeding, and
less use of analgesics.

Dr Wooldridge released that statement on 1 June 2000. Minutes from a meeting of the Australian Adverse Drug Reaction Committee held on 24 March 2000—two months before Dr Wooldridge’s statement—state:

A summary printout was provided for the current meeting. It showed 543 reports describing 898 reactions towards the end of February 2000. Of most importance was the extraordinary number of reports for a drug that was not on the PBS.

And:

It was noted that the number of reports relating to this drug are unprecedented ...

‘Unprecedented’—the lead committee looking at adverse drug reactions reported that the number of adverse drug reactions was unprecedented, and yet two months later Dr Wooldridge is singing its praises in terms of its side-effect profile. One of two things has occurred here. Either the minister was not made aware of ADRAC’s findings prior to making his announcement or he knew and decided to base his comments on the drug company line rather than on the reality. Even
taking into account the fact that the high number of reports may be due to the age group in which the drug is used or the pre-listing marketing hype, at the very least, based on this Australian information, Dr Wooldridge should have been far more circumspect in his praise of the product. If the minister was not aware of this information, he should have been. This is another example of how this government has given a powerful lobby group a free kick at the taxpayers’ expense.

Moving on to other powerful lobby groups, I was interested to see an article in the Age newspaper on Saturday. The article reported on proposed changes to the Australia New Zealand Food Authority, including to the board of the authority:

John Howard’s support for the influential food industry lobby is well documented. Seven months ago, he intervened unsuccessfully in support of a push by the lobby to restrict labelling on foods containing genetically modified ingredients. The Federal Government introduced legislation to give the food industry a stronger role in determining national food safety standards. The legislation will give the industry a much bigger say on issues relating to food safety, labelling and the identification of genetically modified foods.

One of the centrepieces of this proposed legislation is a spill of the current board and a reconstitution that sees the potential for industry representation going from one or two to five. If the government is able to successfully make five industry appointments, that would represent half the board. This is just one of a number of changes the government is proposing to make to our prime food safety regulator that Labor believes will significantly weaken it. I have already referred to the issues in Europe related to concerns about conflicts of interest between agriculture and industry interests and public health. At a time when we should be learning from the BSE lessons, this government continues to move its own agenda forward, ignoring the needs and rights of consumers. This is arrogant and dangerous, and it is something that the Australian public will not put up with. Labor has moved to ensure that the proposed ANZFA legislation will be publicly scrutinised by a Senate legislation committee. That committee will provide the Howard government and Labor with an opportunity to hear—

Mr McGauran—Mr Speaker, I rise on a point of order, which goes to relevance. I have listened carefully and shown a great deal of tolerance, but there is not a single aspect of the member’s contribution that relates to the legislation before the House.

Mr Griffin—Mr Speaker, on that point of order: if the minister had been paying attention last night, he would have recalled that I am to move a second reading amendment which details these concerns about the operation of the government on this issue. But he was not paying attention last night, and he is not paying attention now.

Mr Speaker—The member for Bruce will not reflect on the minister. I will rule on the point of order. I had been listening to what the member for Bruce had to say, and I must confess that I myself had wondered about its immediate relevance to the bill. I then picked up the amendment that the member for Bruce is to move and for that reason allowed him to continue.

Mr Griffin—Thank you, Mr Speaker, and hopefully the Minister for the Arts and the Centenary of Federation will listen closely. I would like to go into more detail about the lack of transparency surrounding the processes that led to this new legislation, but I will no doubt have an opportunity to deal with that important issue in greater depth in the near future. For now, I would just like to restate Labor’s condemnation of the Howard government for its systematic and continued attack on the processes and bodies that are responsible for protecting the health and safety of all Australians. Labor rejects the Therapeutic Goods Amendment Bill (No. 4) 2000, as it rejects the now very public government agenda that underpins these changes to the Therapeutic Goods Amendment Act 1989 and the changes to the other bodies that I have gone through in some detail today. I now move:
That all words after “That” be omitted with a view to substituting the following words:

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

(1) 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”.

Mr Speaker—Is the amendment seconded?

Mr Swan—I second the amendment and reserve my right to speak.

Mr Lawler (Parkes) (9.59 a.m.)—Mr Speaker, I must confess that I too would be guilty of not realising that the amendment had been moved, and I also could not see any remote skerrick of resemblance to the legislation in the speech of the member for Bruce. However, I appreciate the advice. The Therapeutic Goods Amendment Bill (No. 4) 2000 is one of those bills that is not terribly sexy. But it is needed for the health industry to step into the modern age. It refers to the ability of companies to market products that are listed on the Australian Register of Therapeutic Goods. These medicines are considered to be low risk, and it is important to note that we are talking about products containing substances like vitamin C, raspberry leaf and perhaps slippery elm. The critical thing about the use of substances such as these is not only their level of safety but also the rules that the companies that manufacture products are bound to as far as making claims of efficacy. We are not talking here about the need for research and proof about a substance that is untested; we are talking about the ability of a company to use a substance that is already listed and approved for a particular purpose. We are talking about the ability of a company to use one of those substances on the list and to put it into a tablet or a preparation of their own and market that preparation.

In years gone by this was done using a paper based system that was very labour intensive, because a proposed product and its use, dose and efficacy was supplied on paper to the Therapeutic Goods Administration for manual consideration. This was then moved to submission on a disk. Now we are virtually talking about going through the same process but with an online facility. It is my understanding that the way the online facility works is that it forces the company wishing to market the product to go through the stages step by step and the system is intelligent enough to reject the application if any of the steps do not meet the required standard or if there is an attempt to ignore a question on the system. The system in fact takes human error out of the equation, so it actually gives a greater level of protection to the consumer.

The industry wanted a low level, light touch regulation which would provide quicker market access for them and quicker access by the consumer to a product that they may wish to use. In return for this quicker access, the marketers of these medicines must be able to back up any claims that they make. Then they would have greater responsibilities and accountability in relation to the certification of the medicines they wish to list. Because of the streamlining of the process, the TGA would have some of their resources freed up, and this would allow them to significantly enhance post-marketing monitoring in relation to these medicines.

The TGA will have expanded powers to take timely and effective action to cancel the listing of a medicine that does not comply with the requirements, and there is a very significant increase in penalties for applicants that provide false or misleading information. These increased powers and penalties for not complying with the requirements will be critical to the bottom line of the company, so there is a big disincentive for them to push the boundaries of what they claim their product can do. For example, under the current system, with the powers that the TGA have, a company may have been able to obtain approval and then swamp the market with advertising—for, say, a super arthritis
cure or a weight loss product—above and beyond what they have been authorised to do. They fly into the market and make a killing for two or three months while the TGA follows lengthy processes to get that product off the market. Now, the secretary can cancel the product almost straightaway and invoke heavy fines. These fines have been increased from $6,600 to $44,000 for an individual and from $33,000 to $220,000 for a corporation. Thus the board has the power to close supply off much more quickly and not wait, for example, until the board sits and hope a determination can be made then, while the product is meanwhile on the shelves, as can happen under the current regulations.

In other areas that the TGA is involved in, a lack of defined direction of legislation causes problems, like advertising scheduled products, where they are unable or unwilling to make a stand while businesses are advertising products that should not be advertised—for example, benzodiazepines and schedule 8 products. While we are playing around with the legalities of a definition of what is a price list and what is not, what is an advertisement of a product and how big the letters can be on a shop window, it merely says that such and such a product is available but is arguably not promoting the use of that product. At the moment we have the intolerable situation where, because of a lack of legislative direction, the TGA has been, as I said, unwilling or unable to act on situations such as these.

The changes that we are talking about for the purpose of this debate will shut down a shonky operator much more quickly. Because of the freeing up of resources of the TGA, they will be able to more strongly monitor compliance post-marketing, through following up consumer concerns and targeted and random desk based audits of listed products where particular products will be actively identified for close scrutiny on a random basis or because of an inherent or potential risk. This new process will allow significantly more resources to be applied to increasing the number of audits that will be undertaken. There will also be a high monitoring of suspected adverse reactions and targeted and random surveillance in the marketplace, including routine spot checks for quality and label compliance, again targeting in particular those that present a specific risk or that have a history of problems. There will be targeted and random laboratory testing of products, a more effective and responsive recall procedure and an audit of good manufacturing practice. All of this more effective work will be able to take place due to the freeing up of resources from the, often meaningless, manual registration of products which we now have and have had in the past.

There has been extensive consultation with the Complementary Medicines Evaluation Committee, consumers and industry bodies to develop the guidelines as to what level of evidence is required for different kinds of claims. As the strength of the promise to consumers in the claim increases, so too do the evidentiary requirements to support the level of promise. Again I emphasise that we are talking about the registration of products that have already been approved for use in Australia, ingredient by ingredient. In the old days the average turnaround time for an application from a submission to be entered onto the register was 70 working days. This figure is on average now six working days, and with the new systems anticipated this figure will reduce to around 24 to 48 hours. Because of minimal human intervention the process will be more consistent and less resource intense. Consumers will benefit because of stronger sanctions and stronger post-market vigilance because of the significantly more resources within the TGA which can be applied to this post-market vigilance.

In summary, 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 TGA will significantly enhance post-market monitoring in relation to those products. The only medicines considered to be listed are those of low risk and contain herbal, vitamin and mineral products, as well as ingredients in sunscreens, for example.
There has been, and continues to be, an incumbent on any person, whether they are taking therapeutic prescriptive drugs or alternatively complementary medicines, to always check possible adverse reactions. This incumbent does not change and it is not influenced by the changes these regulations make.

One of the benefits of the bill is that it will give a higher degree of consumer confidence in complementary medicines, because of strength of sanctions and post-market vigilance and the ability of the TGA to move quickly in identifying problems and taking appropriate action as required, including the ability to cancel a listing of a medicine, thereby making it illegal to continue to market the product. This action will take place if a product is not eligible for listing, if there is a significant breach of any advertising requirement as a result of which presentation of the medicine is misleading to a significant extent, or if a sponsor fails to respond within 20 working days after a notice requesting information about the eligibility of the medicine. The new system will apply the same rules as currently are applied through the desk based assessment. All quality control still is underpinned by good manufacturing practice and a number of other requirements as well. As in any area of business, we must move forward and embrace the electronic age where it can be demonstrated that the consumer is protected from any misbehaviour by the manufacturer. I believe the changes outlined in this bill meet the above criteria and I am happy to support them.

Ms HALL (Shortland) (10.08 a.m.)—Once again the government is promoting legislation in this parliament that has the potential to compromise the health and the safety of Australian people. The Therapeutic Goods Amendment Bill (No. 4) 2000 will, as is detailed in the opposition’s amendment, lead to a systematic weakening of Australia’s process for listing low risk prescriptions and medicines. The Therapeutic Goods Act came into effect in 1991 and currently provides a national framework for the regulation of therapeutic goods in Australia; a framework that ensures that public health and safety requirements are met whilst at the same time not placing an unnecessary regulatory burden on industry.

The Australian community expect the medicines that they buy to be safe. They expect them to be of a high quality and to be safe and effective. The current risk management approach and regulatory framework ensure that the community’s expectation is met. In other words, currently any member of the Australian community can purchase medicines or other therapeutic items over the counter and be assured that those items are safe. The current system is that the Therapeutic Goods Administration is responsible for the administration of the act, so there is a framework in place to oversee the way the Therapeutic Goods Act works. The TGA monitors the sale of therapeutic goods in Australia and makes assessments to ensure that the goods meet the community’s expectations of quality, safety and effectiveness. Currently, there is some self-regulation but the TGA still has a very important role to play in determining whether, based on the manufacturing quality control that is in place, it is safe for a therapeutic good to be listed. Rightly, the community’s expectation is that throughout the process quality and safety controls are in place and that at the end of the process the item that is produced is safe.

What does the government propose in this legislation? It is no surprise to me that it proposes more self-regulation, less control over safety, less control over quality and greater freedom for and advantage to the pharmaceutical industry. The pharmaceutical industry in particular are, as I will demonstrate a little later, the friends of this government. We all know how this government looks after its friends in industry and in big business at the expense of the Australian community and the smaller businesses in the Australian community. This legislation that the Howard government is seeking to impose on the Australian community will scrap vital controls over quality and consumer safety and will place the health of ordinary Australians at risk by the unchecked release of medicines deemed to be low risk before their risk is assessed—
medicines that are widely available and easily accessible, medicines that are for sale across the counter, medicines that you can pick up in the supermarket, medicines about which a pharmacist does not give advice as to their safety or their applicability to a particular condition.

We should look at what safety checks will be in place. The legislation proposes the withdrawal of medicines or therapeutic goods proven to be unsafe. Isn’t that a little bit like shutting the gate after the horse has bolted? How will it be determined whether or not a medicine that is deemed to be low risk is unsafe? To my way of looking at it, it would be determined by whether or not a person becomes ill or dies because they take the medication or whether or not there are other unforeseen side effects. Wouldn’t it be best if the medicine were checked beforehand, not afterwards? The procedure proposed is an unnecessary risk to the community. People should not be placed in that situation. The best situation would be for a proper procedure to be in place beforehand and for safety checks to be carried out the way they are now: under the supervision of the TGA but with some self-regulation. Industry still would have freedom but the community would have the protection that they have now. This is of quite a concern to me.

That again takes us to the point of asking: why would a government be prepared to place at risk the community’s health and safety? The only answer I can come up with is that it is because of industry pressure. We all know how susceptible the government is to industry pressure, particularly the pressure put on it by the pharmaceutical industry. We have seen that with the appointments to the Pharmaceutical Benefits Advisory Committee—the PBAC. This government is definitely the captive of big business. It looks to big business for its support and is prepared to forsake community safety for the sake of the support it gets from big business.

Whilst I am generally very wary of this legislation and extremely concerned about the implications for the Australian community’s health and safety, there are some good aspects to it, and it would be very remiss of me not to acknowledge that. There is a requirement for additional certification—that is very good, it is a step forward—new statutory conditions pertaining to sample delivery—once again, that is an excellent step forward—new grounds for the cancellation of medicines—again, that is very important—and the creation of new offences relating to false or misleading information about medicines. That has been a problem in the community: a lot of people have been given false hope or have been misled by information that has been put forward by pharmaceutical companies. So that accountability will be introduced.

Unfortunately, though, the negative aspects of this legislation far outweigh the positive. The lack of regulation is a real problem now. We have a government that is ideologically and philosophically opposed to any form of regulation. It just does not like it. It does not believe that industry, business, should be constrained by the nasty regulations that are there to protect the Australian people. On the other hand, I believe the Australian people actually look to the government for some sort of leadership and regulation. The Australian people tend to think that the government has a greater role than just to approach government in the same way that directors on a board approach managing a company.

We have seen the disastrous results of the failure to monitor the nursing home industry, and that has created real hardship and real suffering for many Australians. Some of our older Australians have been in situations that were unbelievable, and it has caused great worry and concern to their families. The government has failed to act and, as a result of that, there has been enormous hardship and suffering. It is a government that is prepared to sit back and let industry look after itself at the expense of the Australian people. Sometimes the most vulnerable Australian people are quite often the people who are looking to therapeutic remedies. People who access medicines over the counter are quite vulnerable and they really are reliant on the
government putting in place the proper checks and balances to make sure that the medications that they are purchasing are safe.

We have seen the failure in the nursing industry. We have seen the disastrous results of the government’s monitoring of the Interim Office of the Gene Technology Regulator and, of course, the government’s failure to act in the banking industry—to move in there and put in place any form of measures that will help the Australian people. Once again, this government’s dedication and commitment to self-regulation and to big businesses has caused enormous suffering to Australian people.

The other frightening aspect of this legislation is that it demonstrates just how close the Howard government is to the pharmaceutical industry and how much clout that industry has with the government. This legislation is a win for the pharmaceutical industry. It means less regulation, and the industry likes that. That is the feeling throughout the world. This is a multinational industry and one that has caused havoc throughout the world, particularly in undeveloped countries. It gives the industry greater freedom. This, as I have mentioned, is an industry with a pretty appalling record, such that the author David Cornwell—formerly John le Carre—publicised in his latest novel the anomalies and the exploitations of the multinational drug companies. He is upholding a long tradition that has come through in literature about the role that these multinational drug companies have and the amount of power they have throughout the world. It is a very important issue, not only in the Australian community but throughout the world. It is so well documented that it is quite frightening that we have a government that rolls over like this all the time when it comes to issues which take a bit of leadership.

Another example of the strong relationship that exists between the government and the pharmaceutical industry is seen in the changes that the Minister for Health and Aged Care made to the PBAC. It goes without saying that the pharmaceutical board must be above government and industry influence. It has always operated like that up until now. But under the Howard government and the current health minister, this independence has been placed in jeopardy. We saw the listing of Celebrex on the PBS. It is interesting to see that this listing took place against the recommendation of the PBAC, and it was not long after that that we had the minister making wholesale replacements to the PBAC. Celebrex and other prescription drugs like that actually jeopardise the placing of new remedies for cancer and diabetes on the PBS. It has always been necessary to balance the health and pharmacological needs of the community with the costs that are associated with it. That allows you to maintain the PBS, which works and which has been the envy of the world.

One of the people who was replaced on the PBAC was Professor David Henry, who comes from Lake Macquarie, which is where I come from. I can attest to the fact that he is very highly thought of in that area but, more to the point, he is a world expert on drug economics. He was not reappointed because he questioned some of the minister’s decisions and questioned this relationship between the government and the drug companies. Guess who he was replaced with? Pat Clear, a man who has had a long association with the drug industry. His appointment to the board led to 10 out of 12 of the former members of the PBAC resigning because they could see there was a conflict of interest. Once again, this shows the close relationship between the drug companies and this government. It is also interesting to see that former staff from the minister’s office are also now employed in drug companies within the pharmaceutical industry. Once again, it is a lot closer than I like to see.

The very sad part about the PBAC appointments and this legislation is just how obvious it is that the Howard government is a captive of the pharmaceutical industry—an industry that has a very questionable record throughout the world. Its record in Third World countries is deplorable. It is an industry that puts profits before ethical issues. It is an industry that is driven by profits and puts
aside the ethical and moral issues that should be taken into account when you are looking at drugs and community health and safety. Therefore, it compromises public health and safety, and it has a proven record in this area. This government, through its association with this self-regulated industry, is putting the health of the Australian community at risk. This legislation is changing the way the safety and quality of low-risk medicines and therapeutic goods are monitored in Australia. There will be a greater emphasis on self-regulation, and the final assessment of whether a particular item meets public health, safety and quality standards will be made after the item has been listed, not before—hardly the best way to ensure community safety. I am greatly concerned about this legislation and about the government’s association with the pharmaceutical industry. The losers in this will be the Australian public, the Australian community, who really rely on the government to ensure that their health and safety are protected.

Dr SOUTHCOTT (Boothby) (10.26 a.m.)—The Therapeutic Goods Administration administers a uniform national system of controls on the availability of therapeutic goods within Australia. The Therapeutic Goods Amendment Bill (No. 4) 2000 simplifies the listing process for low-risk medicines and allows for complete self-assessment by sponsors. It will facilitate the introduction of a new system for electronically listing medicines on the Australian register. Therapeutic goods are either registered or listed. Registered goods are high risk and need to be examined and fully evaluated by the TGA for quality, safety and efficacy. Listed goods are lower risk items such as sunscreens, vitamins, herbal products and over-the-counter medicines. This bill transfers the responsibility for assessment of listed therapeutic goods from the TGA to the applicant. These amendments will allow for the introduction of a new system for electronically listing medicines. In future, the applicant will have to certify the following: that the application contains the names of all manufacturers of the medicine, that the applicant holds information or evidence to support any claim relating to the medicine and that written agreements are in place with prescribed manufacturers. Listing will now be based on self-assessment by the sponsor of the listed medicines. However, the secretary can still request samples or cancel a listing. The fines for false or misleading statements will be increased from $6,600 to $44,000. This increase is due to the shift of responsibility in the self-assessment process.

There needs to be a balance between control and streamlining to improve consumer access to low-risk goods. This bill improves the streamlining, which will facilitate the introduction of an electronic listing system without TGA being involved. Together with this increase in autonomy, the bill requires sponsors to certify additional matters and provides tougher penalties for the provision of misleading information. This bill is good for streamlining the procedures of the TGA. We are moving to the exchange of information and the storing of records in electronic format. This is an important bill in encouraging that.

Mr QUICK (Franklin) (10.29 a.m.)—I welcome the opportunity to speak on the Therapeutic Goods Amendment Bill (No. 4) 2000. Australia has had an exemplary record of safety and quality in relation to a number of regulatory regimes including air safety, quarantine, food safety and labelling, therapeutic medicines, construction standards and so on. Our standards have always been set high. Australia’s benchmark has always been one of the world’s best. This bill is another attempt by this government to continue the downward roller-coaster on which so many of our world-leading standards have been placed—the downward slide to irrelevancy of our once high standards.

The Therapeutic Goods Act 1989 provides for the regulation as to safety, quality, efficacy and timely availability of therapeutic goods in Australia. Information supporting therapeutic claims must be provided before listing is approved. This is an excellent system in that it allows pre-market evaluation and approval. Consumers can therefore purchase these goods with confidence that the
claims made by the manufacturers have some validity. The process we are talking about is for low-risk medicines—medicines that are widely available without prescription through pharmacies, supermarkets and health food shops. They are not confectionery. Improper use can have very serious consequences. Changing the process so that information about the composition, quality, safety and manufacturing and quality control standards of these products is provided after listing leads to concerns that safety and quality issues will be picked up after the products have hit the shelves.

I want to briefly explain who benefits from deregulation. There are a few manufacturers and many consumers. Sitting in the middle, balancing the competing priorities of both groups, is the government. It is this simple model—manufacturers, government, consumers—that explains why deregulation can benefit one group more than the other. Manufacturers operate for the benefit of shareholders, aiming to increase market share and hence increase profits. Under current practices, it is popular for companies to examine their costs and reduce those costs where possible. Examples of companies shedding staff to lower costs are many, and Telstra springs readily to mind. It is fair to say that these companies pay great attention to their cost structures, and so they should. These companies, along with other groups of manufacturers, lobby government to reduce regulation and so reduce cost to industry. Reducing costs directly increases profits.

Accepting the proposition that companies and their associations have a right to lobby governments does not mean the changes they seek should be automatically granted. On the other hand, consumers have little to gain except faster access to products. Are the new products safe? Are they the output of a quality manufacturing process? Without the appropriate information, who can tell? Defective products will be discovered after consumption. False and misleading claims will be tested and prosecuted after consumption of the products in question. Consumers rely on regulatory regimes to protect them from unfair, unscrupulous and unsafe practices. Let us face it—if the world were perfect we would not have a Trade Practices Act and a series of consumer affairs and fair trading departments around the country. In a perfect world, consumers could trust implicitly the words on the label of a product and could expect the therapeutic claims made to be exceeded in reality. I believe the majority of companies do the right thing and will continue to do so. It is vitally important though, in the area of public health, that the one disreputable firm and its one disreputable product be stopped at the beginning of the process and not allowed to reach the shelves at all and therefore jeopardise the health of the consumer.

In this issue, as in many others, this government seems to be paying disproportionate attention to the representations made by industry groups, pharmaceutical manufacturers and food manufacturers, to name but a few. I include here the point, which may have escaped those from the other side, that the government has no problem associating with and taking note of representations made by industry associations—the pharmaceutical manufacturers associations and the food manufacturers associations—yet it continually condemns associations of employees, refuses to negotiate with associations of employees and continues to legislate to reduce the ability of employee associations to represent their members. Is this because the rich union of manufacturers and others have something to contribute to the government, and perhaps some of its members? I truly believe it is a serious inconsistency of this government that it will negotiate with and dance to the tune of some employer unions but ignore employee unions.

Deregulation can have severe consequences. I only need to remind the House of the proposed importation of raw salmon from Canada threatening the viability of the disease-free aquaculture industry in my state of Tasmania, and in my electorate in particular. There was also the threat of the importation of apples—another strong Tasmanian industry—from New Zealand, where fire blight is rife. Thankfully, that threat has
been cut off at the knees. Regulation has its place.

Another issue in the amendment moved here today is the interference in independent bodies such as the board of ANZFA, the Australia New Zealand Food Authority, and the Pharmaceutical Benefits Advisory Committee, the PBAC. Why would we ever want to place industry representatives on independent bodies like these? Would we place a problem gambler in charge of a casino or put an alcoholic in charge of the bar? I do not think so. By appointing a former drug industry representative to the PBAC, the government has destroyed the independence of the committee. Ten of the 12 committee members have either resigned or have not been reappointed. The loss of corporate knowledge from this committee is scandalous. The presence of a spokesperson for the industry on the committee was the catalyst for those mass resignations. It seems almost everyone was aware of the conflict of interest except the minister and his government. My colleague the member for Jagajaga said in this place:

An inquiry into the PBAC was put into place by this minister and conducted by none other than his parliamentary secretary, Senator Tambling. That report was finalised in February last year ... the report was never actually released.

There is speculation to suggest that the report was not released because it contained unfavourable recommendations. The minister obviously never watched Yes, Minister to learn that you do not have an inquiry unless you know what the findings are going to be.

The member for Jagajaga obtained a copy of the report and discovered that it contains this statement. I quote the member again:

One of the things that was interesting in that report was the statement that it was very important that the PBAC not be compromised by an industry person being put on it, because that would present a serious conflict of interest. So it is not surprising that that report never saw the light of day.

It never saw the light of day—a dust gatherer. And all because it recognised that a conflict of interest could exist.

Now the government is talking about appointing a food industry representative on the board of ANZFA. One wonders why. What purpose would it serve other than to put pressure on the board to dilute recommendations that benefit consumers? Let us use the labelling standards as an example. Great pressure was applied to the government not to accept changes that would tell you exactly how much meat is in a meat pie. Food manufacturers cited increased labelling costs as the reason for not showing consumers what was in the pie. The ANZFA fact sheet on meat pies is clear about the fact that meat pies must be safe to eat. The new labelling standard says that manufacturers must tell you if offal is added to a pie. This means a packaged pie must have the type of offal listed on the label. The industry did not want this information on the label. They did not want a minimum content of meat set.

One of the arguments used at the time was that competition would ensure that pie manufacturers would have to use high meat content—the market would decide. I remember, as I am sure you remember, Mr Deputy Speaker, the dark days when pies were all gravy with a few pieces of meat, and sometimes bone meal, floating in the gravy. The only reason that changed was a standard imposed on the industry from outside the industry. Keep the fox out of the chicken run. Maintain an independent ANZFA board. Don’t destroy it the way the PBAC has been destroyed. I support the amendment moved by the opposition.

Mr BROUGHH (Longman—Minister for Employment Services) (10.39 a.m.)—In wrapping up the debate on the Therapeutic Goods Amendment Bill (No. 4) 2000, I would like to make a few comments on behalf of Minister Wooldridge. The member for Bruce raised many issues that have nothing at all to do with this particular bill. The majority of his claims are in fact wrong or inaccurate or take the Labor Party’s usual hypocritical approach on these issues. I am going to deal with the bill at hand, not wander all over the place as many of those opposite did. The government obviously does not
support the amendment moved by the member for Bruce.

To the bill at hand: firstly, prescription medicines are registered on the Australian Register of Therapeutic Goods; they are not listable. This bill has no effect on the registration process for prescription medicines, contrary to the member for Bruce’s claims. The criteria for quality, safety and efficacy that currently apply to listed medicines will continue to apply under the new listing arrangements. Specifically, in relation to quality, the requirement that listed medicines be manufactured in accordance with principles of good manufacturing practice will continue to apply. Listed medicines will continue to be required to comply with relevant standards. In relation to safety, the current restrictions on the ingredients that may be used in listed medicines will continue to apply. For example, substances scheduled in the poisons schedule may not be included in listed medicines. If a sponsor wishes to use a new substance in listed medicines, it will be necessary for quality and safety data on the substance to be evaluated by the TGA and considered by the Complementary Medicines Evaluation Committee before it is approved for use in listed medicines. In relation to efficacy, the requirement for a sponsor to hold evidence to support the claims made in relation to listed medicines will continue to apply. To assist sponsors in this regard, the TGA has developed guidelines delineating the evidentiary requirements for different types of claims. Under the new listing system, sponsors will continue to submit in their listing applications data on the composition and manufacture of the medicine and the therapeutic indications and associated warnings for the medicine.

The manual desk based assessments currently carried out on listing applications will be replaced in the new system by a combination of sponsor self-assessment, electronic validation via electronic lodgment against regulatory requirements and random audits shortly after listing to verify that sponsor certifications are in fact correct. The sampling model that will be used in the random audit process has been developed by the Australian Bureau of Statistics to ensure confidence in the sample size.

Let me address the penalty provisions in the bill. Perhaps the most significant deterrent to suppliers and manufacturers of medicines is the ability to cancel the listing of the medicine, thereby making it illegal to continue to market that product. The new system will provide the TGA with the power to cancel a listing immediately where a medicine that is not eligible for listing is listed by a sponsor, or where there is a significant breach of any advertising requirements as a result of which the presentation of the medicine is misleading to a significant extent, or where a sponsor fails to comply within 20 working days after the notice requesting information or documents about the eligibility of the sponsor’s medicine to be listed in the register. Other penalties have also been significantly strengthened under the new scheme. Current penalties are low and provide insufficient regulatory force to adequately reflect the importance of correct information regarding listable medicines. Because reliance on correct certification by sponsors is critical, sanctions for incorrectly certifying matters relating to medicines that enable such goods to be listed in the register have been significantly strengthened. Penalties have been raised from $6,600 for an individual to $44,000. In the case of corporations, penalties have been raised from $33,000 to $220,000.

The proposed system has gone through an extensive consultation process. Industry and consumer groups have been continuously consulted on this new model. The Listing of Drug Products Project Advisory Committee was formed, which included representation from the Consumer Health Forum of Australia, the Australian self-medication industry, the Complementary Health Care Council of Australia, the Direct Sellers Association of Australia, the Cosmetic Toiletries and Fragrances Association of Australia and the Therapeutic Goods Administration. The PAC met a total of 15 times over a two-year period. Stakeholders were also consulted independently to these meetings, on a number of occasions through personal visits by the
TGA to their places of business, as well as conducting several workshops in both Sydney and Melbourne. A pilot program of the new electronic lodgment facility system was developed to give stakeholders a demonstration of the capabilities of the proposed new system. This was made available to stakeholders via the Internet. Workshops were also held to train stakeholders in using the new system as well as to provide feedback on the new electronic lodgment facility, ELF. Over 100 companies out of a total of 300 that currently use ELF participated in these workshops. The business rules for this new ELF system were distributed to the stakeholders with membership on the PAC.

The new system will bring many benefits to consumers. It will provide quicker access to the latest advances in complementary medicines and will maximise consumer choice. It will give a higher degree of consumer confidence in complementary medicines because of strengthened sanctions, strengthened post-market vigilance and ability for the TGA to move quickly in identifying problems and taking action on them. It will enable significantly more resources within the TGA to be applied to post-market vigilance of these products.

Finally, this bill is an important advance in the regulation of complementary and other listed medicines. It will deliver benefits to consumers and industry and will streamline market access for the 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 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 Brough) read a third time.
entry to Australia. The skills were based around language, qualifications and what unique skills people could bring to an area that could not be found locally. Therein lay a small problem: at certain times in certain parts of Australia those criteria were a little too harsh because there were people who did have the qualifications but maybe not the language skills and thus did not meet the criteria to gain the visa for entry. There is still room to move within this legislation and more amendments are needed to increase the use of this visa mechanism. It plays a really important role in attracting the right people with the right skills to areas where there are grave shortages. There is some flexibility to waive certain conditions depending on age, language skills and a range of other criteria.

The visa applicant must be nominated by an employer in Australia, so there must be pre-arranged employment and a contract provided for full-time work for two years. This is a really important part of the program. One of the problems that has arisen during the inquiry of the Joint Standing Committee on Migration in our travels around Australia is what to do with people who are not fulfilling those requirements, when somebody has been granted a visa to come to Australia, moves to an area and fulfils only part or perhaps none of the requirements. This amendment to the legislation will deal with that problem.

I still believe there needs to be more flexibility in the way we deal with this issue, particularly in terms of the family. Often people who come here will not come on their own; they will come with their family, and often they will have children. The proposed changes are about reducing the ability of people to abuse the system to otherwise gain entry to Australia through incorrect means and by not fulfilling the criteria. One of the biggest problems we face in trying to make this legislation better is establishing how we get people to go to a rural and regional area. It is obvious that citizens living elsewhere are not going there because either they do not have the local skills or they do not want to take up the positions. Therefore, we are forced to look elsewhere. It is a big move to have to look overseas. It is also a big move for the employer and for the applicant who, by coming to Australia, has to make such a life-changing move.

There also needs to be some consistency about what happens after the two years are up. Hopefully, this program will give us somebody who will not only move to a rural and regional area but also stay there after their two-year contract period is up. This needs to be a key focus of the legislation and a key focus of what the government does in this area. It is not just a matter of getting someone to a regional or rural town. What do you do to actually keep them there? Obviously there are problems, as people are not going there in the first place. But for those who do, once they have fulfilled their contractual arrangements, it is quite possible they will leave whichever part of the country they are in and go to the bigger cities, to Sydney or Melbourne, where opportunities are perceived to be better. There are a whole range of issues involved.

The measure before us deals specifically with trying to minimise abuse. It will give the minister the power to cancel a visa if a person is determined or deemed to be abusing their visa requirements—for example, if a person comes to Australia under this visa class and does not begin work within a prescribed period or does not take up the work that they are supposed to be doing, or if a person who comes to Australia under this visa requirement does not fulfil their contractual obligations. It would be obvious, but the minister needs to have the ability to act in those circumstances. It has to be a two-way street. The employer has to fulfil their obligation to that person for a period of two years and the person who comes to Australia has to fulfil their part of the contract.

Ipswich, which is the city in my electorate of Oxley, is a rural and regional area. It is very close to a capital—it is very close to Brisbane. I think it is probably too close because, in effect, being so close to a city takes away what would otherwise be a good economic impact on our region and often draws the capital investment and infrastructure to
the city. I think this is at the crux of some of the problems with not only this legislation but also the state migration schemes in that some of the criteria are incorrect. To make that point quite clear, under the legislation Melbourne city is deemed to be ‘rural and regional’ and, therefore, has special criteria which allow people to get sponsorship to that area under a much more flexible regime. But Ipswich city, which actually is a rural and regional area—unlike Melbourne—does not qualify under that scheme. That is a real anomaly.

In the migration committee’s inquiry around the country this issue has been raised time and again. We have been asked why we are not doing something about it. With the committee draft report being not too far away and that being one of our recommendations—although I do not want to pre-empt what the committee intends to do—I would strongly urge that there be a change as to which areas are designated as coming specifically under the more flexible arrangements under the scheme.

I raise the example of Ipswich not only because it is in my electorate but also because it is a city that is moving forward. It is actually out there seeking business migration. It is saying, ‘We are prepared to take you on.’ We have identified a huge amount of skill shortages and, if we cannot attract people, we will look not only within the states of Queensland and New South Wales but all of Australia and internationally. It is important that we bring a wide variety of people and a wide variety of skills to this country. We would particularly welcome them in Ipswich. Recently we had a committee hearing in Canberra where the Mayor of Ipswich, John Nugent, gave evidence on behalf of the City of Ipswich Council in relation to this matter. He stressed quite clearly that not only the City of Ipswich and its council but also all local state members and federal members would support some flexibility in these schemes to boost what is a region crying out for some support. It is important that we look at these areas and at what we can do to encourage business migration, skilled migration and state specific migration schemes to those areas that not only need them but are asking for them.

I think that the changes being proposed are good changes. They are positive. They will go some distance towards ensuring that the systems that are in place will not be abused and that the people who benefit from these visa classes are those that we need here. It is a two-way street. It is not only about us gaining skills in regions and areas where we need those skills and that growth; it is also about providing people with a method of entry, as it were, to Australia. I commend the amendments to the House.

Mrs DE-ANNE KELLY (Dawson) (10.59 a.m.)—I rise to speak on the Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000. I commend the Minister for Immigration and Multicultural Affairs on the job he is doing in the immigration portfolio. This is yet another manifestation of the attention he is giving to ensuring that immigration serves the needs of all Australians and most particularly those in rural and regional areas. The Regional Sponsored Migration Scheme was established as a pilot program in 1995. The objective of this bill is to introduce a new cancellation proposal for regional sponsored scheme visas where the migrant does not fulfil their visa responsibilities.

It would be helpful to go into some background on how this very worthy scheme works. I was pleased to hear the comments of my colleague with regard to the need in rural and regional Australia for skilled migrants and skilled workers in general. There is no doubt that in regional and rural Australia there is sometimes difficulty in attracting and retaining skilled personnel, particularly skilled migrants, to address local skill shortages. We would have all heard the arguments about the need to attract doctors and other allied health professionals to rural and regional areas. The same shortages exist in many other sectors of industry and commerce.

I think the Regional Sponsored Migration Scheme is a very worthy program. It offers
substantial concessions to applicants for these sponsored visas. They generally require only diploma level qualifications and there is also, in certain cases, a waiver of language and age requirements. The central criterion for application is employment in rural and regional Australia. They must be nominated by an employer on the condition that they will undertake full-time employment in the business of that employer for at least two years in a rural and regional area. There has to be a two-year contract of employment. I note that there is no bias or penalty for the migrant if there is a downturn in business activity, if the business closes, or if there is financial loss or bankruptcy. Quite plainly, it would not be the skilled migrant’s concern were those things to take place. I think it is appropriate that there be no penalty for them under those circumstances.

Since the pilot program was introduced in 1995, there has been an increasing trend for regional sponsored migration schemes, and many visas have been granted. In 1996-97 170 visas were granted. In 1999-2000 the figure was 664. I would like to share with the House the story of one young skilled migrant and his wife who work in my electorate. A young engineer from Somalia, he works in one of the sugar mills in my electorate. He has some particular skills needed in that mill. He is doing very well. He is well regarded by his employer and by his co-workers and is extremely well regarded by his community. It has been a success all round. He and his wife are a delightful young couple. They are very ready to make a commitment to Australia and to raise their family here. They are very good citizens and, as I said, are very well regarded by their co-workers, particularly by their employer, and by the community generally.

So a great deal of good comes from these schemes. They enable those of us who live in rural and regional Australia to enjoy having people from different cultures and outlooks come and live in our community and raise their families there. The schemes often top up the skills available in the local community with some specialist input. However, all programs, and even this worthy program, can be honed to make them more effective. A recent review of the scheme by a business advisory panel recommended visa cancellation if the visa holder failed to fulfil their obligations—bearing in mind that these visa holders have had some special concessions, perhaps in terms of qualifications, language or age. They have been afforded an opportunity that many other would-be immigrants have not been afforded. Therefore, there is an obligation on them to fulfil what is a reasonable period of employment—two years. It is not a long time to ask for them to settle in a rural or regional community.

This is a very simple and sensible amendment. It will enable the cancellation of a visa where the holder has not made a serious attempt to fulfil their obligations—where, for instance, they may not have commenced employment with their sponsor or where they have not made a genuine effort to do so, or where they may have been terminated for not making a genuine effort to remain in the employment of the sponsoring employer. There is an example quoted where a migrant was granted a skilled migrant visa at an overseas Department of Immigration and Multicultural Affairs office. On arrival, the migrant informed his sponsor and employer that he did not want to start immediately. The migrant subsequently turned up in a capital city in another state and applied for Centrelink assistance. Apparently, that visa holder is now renting a house, has a phone and has bought two cars.

There are losers in this situation. There are those genuine migrants who have had someone get ahead of them in the queue, gain entry into Australia and then not fulfil their obligations. There has been a loss to the employer. Plainly this person’s skills were valued or their employer would not have sponsored them. So that employer in rural and regional Australia is probably feeling pretty disappointed now. There is a loss to the community. This person would have come there with their family and become part of the community. It would have meant another job and another person to, I guess, add depth to that rural community and they have not
fulfilled that. So there are a lot of disappointments from this outcome.

There is the Australian taxpayer who, after all, bears the cost of many of these things. There are others who might have wanted to come in this migrant’s place. There is the employer, there are the co-workers and the community. This person has not done the right thing by all of those groups and individuals. This is, apparently, a real life case. Plainly there was no intention of fulfilling the obligations. These people have jumped the queue. They have used a backdoor entry into Australia. They have disappointed, along the way, a lot of people who were relying upon them. If this migrant had wanted to live in a capital city from the start, then they should have applied in the normal way and waited in the queue, as other genuine would-be immigrants do.

This is a manipulation of the scheme, which disappoints many people and the rural and regional community loses a genuine person with the necessary skills wanting to live in that community. This is a sensible amendment that will stop this manipulation. It is a good scheme and is held, rightly, in high repute. There have been quite a number of successes in my area—I have referred to the young Somalian engineer and his wife—and we hope to have many more. These people are a real benefit to a rural and regional community. Not only do they bring their skills but they bring a different way of life, they bring different customs and they add depth to the community. All of us are very pleased to see such people come into our communities.

However, there are those who seek to manipulate the scheme. Such a worthy scheme must have its integrity preserved. We cannot allow it to be manipulated and we cannot allow people to be disappointed with its outcomes. This amendment will discourage those who are looking to take advantage of a worthy scheme and simply want to come into Australia and live in a capital city. Those people will have to use the usual immigration channels and wait in the queue as others do. But this will benefit those who genuinely have skills to offer and want to come and live and make their home in and enrich a rural and regional community in Australia. This amendment will satisfy those people, potential employers, the taxpayer, co-workers and—most of all—our rural and regional communities. I have great pleasure in commending this bill to the House. I find that so many of the measures that the Minister for Immigration and Multicultural Affairs makes are sensible, measured and well thought out proposals. This is certainly one of those. I have great pleasure in supporting the bill.

Mr MURPHY (Lowe) (11.09 a.m.)—Top of the morning to you, Mr Deputy Speaker.

Mr DEPUTY SPEAKER (Mr Nehl)—I thank the honourable member.

Mr MURPHY—The declared purpose of the Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000 is to safeguard the Regional Sponsored Migration Scheme against potential misuse and to discourage people who do not have a genuine intention to settle in regional or rural Australia. I support this bill. This bill ensures that the Department of Immigration and Multicultural Affairs and the Minister for Immigration and Multicultural Affairs has the necessary statutory power to cancel a visa holder’s regional sponsored migration visa if certain conditions are present.

The fundamental issues surrounding this matter go to the demand for migration to Australia. The minister for immigration, the Department of Immigration and Multicultural Affairs and the general public know that there is a need for increased migration to Australia. This demand is offset against a scenario of a collapse in Australia’s fertility rate, childless families and record family break-up. The consequence is that the Minister for Immigration and Multicultural Affairs, the Hon. Philip Ruddock, is compelled to increase migration to Australia to a figure of approximately 80,000 family and skilled migration stream migrants each year just to preserve Australia’s rate of population growth. I note that the granting of 640 skilled migration visas in 1999-2000 is a mere drop
in the ocean relative to the demand for migration visas and, like so many other migration visas, is a joke.

The consequence of this policy is that Australia is sending a mixed message to those contemplating migration to Australia. On the one hand, we are telling them that Australia values their transferable technical skills—for which Australia has a known labour market shortage—and, on the other hand, we are telling these same skilled migrant visa applicants that have parents that they are in for very long wait for family reunion. In the case of parent visas, a ‘very long wait’ means approximately 40 years! Tragically, most parents wanting to be reunited with their children in Australia under the government’s policy are likely to get a knock on the door from their local funeral director before they are reunited with their kids. Their long wait to be reunited with their children will, in reality, more likely occur in the afterlife.

Why does it take 40 years for a parent visa to be issued? It is because Australia has a high dependence on economically productive skilled immigration. The skilled migrant, as a citizen or permanent resident, has an automatic right to sponsor their parents. Hence, parent visa applications have blown out to approximately 20,000 applications now waiting in the queue. It is clear that the Australian government does not accept that every person has a basic human right to be united with their parents. These parents—almost invariably of retirement age—are, in financial terms, an immediate liability to the government. Their profile is typically one of being retired, frail and, often, ill. They are, from day one, a financial liability on our social welfare system and our health care system, and the government does not want anyone of that ilk unless they are millionaires.

I have a clear recollection of a very erudite speech made by the member for Prospect during the grievance debate on Monday, 5 March. During that debate, Mrs Crosio said, inter alia:

The minister, in one of the most offensive comments I have heard in this House, said:

I am sure honourable members would be pleased to see the outcome of the remodelling of the immigration program to put an important emphasis on keeping the program balanced in terms of skill as against other categories which have adverse economic outcomes.

I am sure Mrs Crosio went on to say:

We can all see what the minister is saying—

Mr DEPUTY SPEAKER—Order! ‘The member for Prospect.’

Mr MURPHY—The member for Prospect, the Hon. Janice Crosio—thank you, Mr Deputy Speaker—went on to say:

We can all see what the minister is saying. He is implying that the family reunion program was a waste of money and a drain on the Commonwealth’s purse. I say to the minister that you simply cannot measure—again, I repeat myself—the value of family reunion programs for migrants in monetary terms.

This fact is the reason why this government has sought to severely discourage family reunion, thus denying parents the opportunity to migrate to Australia, by having them endure inordinately long waiting periods.

I would like to offer an alternative. The alternative is challenging this government to either reduce its dependence on skilled migration as part of Australia’s strategic planning initiatives by supporting family development in Australia or immediately lift the ridiculous capping and queuing of a mere 500 parent visas against an estimated 20,000 parent visa applicants.

The second challenge I put to the government is to consider long-stay temporary business visas, such as subclass 456 and 457 visas, for regional linked migration. These visas, allocated up to four years, could generate the same desired results for regional development, without the concomitant violation of the principle of double effect, by encouraging regional development and skilled migration on the one hand—both good—as against family segregation and the collapse of family unity, both bad. For this reason the government’s policies offend the principle of double effect. This government cannot justify family segregation in the name of economic interests alone. That is a utilitarian
and selfish policy predicated on wanting our cake and eating it too. If you invite skilled migrants, you must accept responsibility for the timely reunification of their families. Otherwise, you are embedding wrongs in policy, which result in the more insidious measures that aspiring immigrants will resort to in order to enter Australia.

Mrs HULL (Riverina) (11.17 a.m.)—The Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000 will amend the Migration Act 1958 to introduce a new visa cancellation scheme for Regional Sponsored Migration Scheme visas. The Regional Sponsored Migration Scheme was established as a pilot in 1995 in recognition of the fact that regional Australia has difficulty in attracting and retaining skilled migrants to alleviate local skill shortages. Under the scheme, employers who are unable to fill a skilled full-time vacancy in regional or rural Australia can nominate people overseas or temporary residents already in Australia for permanent residency in Australia. To be eligible, the visa applicant must be nominated by an employer in respect of a full-time two-year appointment in the business of the employer.

A new visa cancellation scheme is required for Regional Sponsored Migration Scheme visas to safeguard against possible future abuse and to deter people who do not have any genuine intention of settling in regional and rural Australia. The scheme will be used to cancel visas where the visa holder has not commenced the employment referred to in the relevant employer nomination within the period prescribed in the regulations and he or she has not made a genuine effort to commence that employment, or where the visa holder’s employment referred to in the employment nomination terminated before the conclusion of the required period of two years and it is determined that he or she did not make a genuine effort to be engaged in that employment for the required period. The department is powerless to act upon cases where a Regional Sponsored Migration Scheme visa holder has not commenced the relevant employment or has ceased that employment before the conclusion of the two-year contract. In addition, there are no visa cancellation powers under the Migration Act 1958 to cancel a Regional Sponsored Migration Scheme visa when these required conditions are breached.

This legislation has allowed me to bring into play some of the issues that surround my electorate of Riverina, certainly around the Griffith and Leeton area, involving the aspect of a shortage of skilled/non-skilled labour. The city of Griffith is an example of a success in multiculturalism that in the main developed after the Snowy scheme was introduced. My great Italian families migrated and shed blood, sweat and tears to develop a vibrant and flourishing economy of horticulture. The advent of irrigation turned a dry, dusty bowl of unproductive land into the food bowl of the nation.

Dr Theophanous—Hear, hear!

Mrs HULL—Hear, hear! I am extremely proud of the way in which Griffith has developed its very large migrant community, whose members have successfully assimilated into the community and its issues and become very self-sufficient. Griffith is the regional service centre for the vast Murrumbidgee Irrigation Area and is the most productive agricultural and agribusiness region in New South Wales and, perhaps moreover, the nation. Known as Australia’s wine and food country or as the food bowl of the nation, Griffith has a range of fine wines, international-standard restaurants and fresh produce. Crops such as those of the mighty citrus industry and rice and grapes dominate the list of produce while peaches, apricots, maize, wheat, corn, canola, watermelons, rockmelons, onions, cucumbers, carrots, parsnips, garlic, lettuce, potatoes and tomatoes are some of the other examples. Griffith operates a saleyard which is the fourth-largest fat lamb selling centre in New South Wales. The ready availability of grain means it has attracted Bartters enterprises, which is a major poultry processing industry. Parle Foods is also a self-made industry that is the envy of many regional centres.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! I am loath to interrupt the member for
Riverina, but I must draw her attention to the fact that this is a bill dealing with migration, not horticulture or agriculture. It is specifically related to the cancellation of regional visas. I would suggest to the member for Riverina that it would be helpful if she could return to the bill.

**Mrs HULL**—I am going to. This is setting the scene for the reason why I support this bill.

**Mr DEPUTY SPEAKER**—I am delighted to hear you are setting the scene.

**Mrs HULL**—Absolutely, I am setting the scene for the reason why I support this legislation in the House, Mr Deputy Speaker. I thank you for drawing my attention to the fact.

The city of Griffith is a dynamic and productive city that deserves to be congratulated for its foresight and vision. However, there is one area that simply cannot be planned for. Due to a shortage of labour, employers in Griffith have to rely upon transient tourists and visa labour to meet the market requirements. The importance of labour force production is paramount to the future viability of the whole community. Primary producers in Griffith are reliant on backpackers to meet labour demands during harvest. However, the use of this labour is far from effective as it is not a regular labour source and the traditional backpacker is usually not suitable for the extremely hard work that is required to harvest citrus and vegetable crops. One might consider harvest labour to be unskilled labour, whereas we are talking about skilled migration schemes. But, in fact, you will find that harvest labour is indeed a skilled labour force. They are required to have an inordinate understanding of the harvest of citrus and vegetable produce, et cetera, and they need to have integrity and the strength of character to be able to endure the very harsh conditions that are put upon workers in the fields in these areas.

Primary producers in Griffith have not had reliable sources of labour for very many years. Australians are not a reliable source of labour for my producers, as they have a distinct aversion to this very intensive manual labour and they do not render an available or adequate source of labour to meet the producers’ needs. In a usual harvest season, there is a regional labour shortfall well in excess of 500 people. There would be a detrimental impact on the Griffith economy and labour market if employers could not recruit overseas visitors with work permits.

At times the growers are left in the lurch by unscrupulous labour force providers from the city areas who profit at the expense of the rural and regional small businesses and producers. The providers profit in bringing people out under the regional migration schemes so that they can look at permanent residency, but the providers do not guarantee that these people will move into the regional area to fulfil their obligations and requirements under the legislation.

**Mr Tim Fischer**—Some of them are spivs.

**Mrs HULL**—Indeed they are. Because of the existing shortfall, farmers are desperate to employ whoever turns up if it is the only way a crop can be picked. This sometimes leads to their inadvertently employing an illegal immigrant or a worker that has no work rights in Australia. This situation led to an inquiry, the review of illegal workers in Australia, which was chaired by the former member for Riverina, Noel Hicks—a very fine man indeed. The inquiry clearly identified the problems that are facing my growers. It is not only Griffith but other areas of Australia that experience these significant problems.

Working holiday-makers are also an integral part of the regional economy. At peak harvest times, all horticultural industries across Australia experience a shortage of casual and part-time labour. If appropriate and sufficient harvest labour could be found from people with work rights, the use of illegal workers would be minimised. The special needs of the horticultural industry—especially as they relate to its requirement for high volumes of seasonal labour and skilled labour—are not being met by the Australian labour market, and this is why we need reliable migration legislation that ensures the
integrity of regionally sponsored migration schemes which deliver the required labour to rural and regional areas, whether it be a harvester of citrus, a chicken sexer or somebody to look at R&D in the rice industry. These are areas that require such schemes, and the integrity of these schemes must remain intact.

The exact timing of peak demands for planting, maintenance and harvesting is influenced by seasonal conditions. Weather conditions can also influence the harvest time, and thus many growers find that they require a large number of workers at very short notice. Competition for labour is very strong; it is hard to find enough labour in my electorate. Project contracting is a step in the right direction to provide more labour for the growers, but it is still insufficient by itself to cope with labour requirements during peak times. It is project contracting that can utilise the integrity of the schemes we are speaking about today. If you have unscrupulous labour force providers who are taking advantage of the regional migration schemes and not encouraging migrants out into rural and regional Australia as is intended, then this only worsens the problem for my contractors. Reliable labour from young, fit people is required. That profile is often matched by temporary visitors to Australia who see temporary jobs in horticulture as the ideal way to see the real Australia—but more often than not it is not, and thus the need for a reliable contracting labour force.

Proposals have been put to me that would see the use of selective overseas labour forces that would be contracted to Australia for a precise period of time with a bond and a guarantee of return to the country of origin. Maybe this is an avenue for consideration to stop the current abuse of the regionally sponsored migration schemes. Visitor-workers provide a much-needed supplementary labour force, ensure the ongoing viability of the horticulture industry and contribute to the Australian economy by spending their money here. They do not take jobs away from Australians, simply because Australian people do not want to do this work. Small horticultural businesses have equivalent human resource requirements to those of medium to large manufacturing and service companies. However, there is one thing that is different: they do not have full-time office staff to handle their recruitment. This is where these hardworking men and women are being let down by those who would flout the law. This is why there is a real need to ensure that the Minister for Immigration and Multicultural Affairs has the power to intervene if the intent of this legislation is not being adhered to. Harvest labour does fit within the intended guidelines of this legislation, as reputable labour force providers can offer full-time employment to fulfil the obligations of regionally sponsored migration schemes. As I have already indicated, harvest labour is no longer unskilled labour; harvest labour is definitely skilled labour.

Strawberries are a very labour intensive crop. Harvesting the fruit takes up to eight months of the year on some farms. The employees of strawberry farms are employed on a full-time, part-time and casual basis, seasonally making up some 40,000 workers. The pattern of high turnover of employment creates major administrative problems for most growers. The viability of the industry is heavily reliant on a good working relationship with these casual labour force and contract labour providers, and employment can indeed fall into full-time employment categories. There are many industries across Australia that provide migrants with full-time work through a contract labour source provider and that fit nicely into these regional migration schemes. This is the very reason why the integrity of the legislation to have immigrants settle in rural and regional Australia is vital.

The fresh tomato industry requires high volumes of seasonal labour and relies on its interstate grower harvest labour networks, again a source of contract labour providers; professional picking work forces, again a source of contract labour providers; and casual and backpacker labour organised by the Northern Victorian Fruitgrowers Association’s harvest labour office in Shepparton in the electorate of the member for Mallee, John Forrest, who is a great supporter of and
activist for his growers. He is also aware of the need for the integrity of this scheme. Any critical fall of harvest labour can lead to a very heavy loss being incurred by the grower due to the perishable nature of most of our crops.

Competition, as I have indicated before, for harvest labour is very strong in Australia, particularly in my electorate of Riverina. My growers are held to ransom with their vulnerable crops when they are unable to access the required labour force. It is therefore obscene when we see a scheme that was designed to assist rural and regional Australia to overcome this problem being abused by non-genuine applicants and unscrupulous contract harvest labour providers or contract labour providers. Many of my companies in Riverina have spent countless hours and dollars to bring a worker into Australia after their advertising within Australia has not delivered a result only to find that once in Australia the person goes off and lives in the city at the expense of my constituents and their pockets.

My electorate of Riverina has many hurdles to overcome in the area of labour shortages, and I am fully supportive of any legal initiative that they can put in place to assist them to remain productive and viable producers. They certainly need the assistance and protection of the government in a number of areas, and this amendment will assist in some small way to protect their rights in a scheme that was designed to help them, in a scheme that can cope with harvest skilled labour requirements. I commend the amendment to the House.

Dr THEOPHANOUS (Calwell) (11.32 a.m.)—I rise to speak on the Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000. It is not often that I rise in this House to support a bill where we extend the powers of the Minister for Immigration and Multicultural Affairs. It is not often that I rise in this House to support a bill where we extend the powers of the Minister for Immigration and Multicultural Affairs, but in this case I am supporting it. I am supporting it because I have been in favour of a regional migration scheme for many years.

I was just looking at a paper that I gave at the National Immigration Outlook Conference in 1990. It was called *Beyond the selfish approach: Environment, population and immigration policy in Australia*. I presented that paper when I was chairman of both the ALP caucus committee on immigration and the parliamentary Joint Standing Committee on Migration Regulations. It was very interesting that at the time when I gave this paper and I suggested that we need to put into place essentially a program for regional sponsored migration the department of immigration responded by saying that this was all very good in theory but could not be done. It was interesting too that the issues which I discussed at that time remain with us. The issues concerning the dramatic necessity to ensure that we encourage migrants to live in regional areas still remain with us. I referred in that report:

For example, recently I was prevailed upon by the Mayor of Newcastle who asked me why it is that we can’t put into place immigration policies which encouraged people to migrate to Newcastle rather than to the western suburbs of Sydney. Newcastle’s general atmosphere is much less congested than the western suburbs of Sydney; it is near the sea, it offers much more opportunities of enjoying a better natural environment than the western suburbs of Sydney, and yet we have a situation in which people are still going much more to the western suburbs of Sydney rather than to Newcastle.

I also referred to the following:

Let me illustrate the point by quoting from a letter sent to me last week from the Government of the Northern Territory. Mr Roger Vale, who is the Minister Assisting the Chief Minister for Central Australian Affairs and for Ethnic Affairs, wrote to me in the following terms:

The Northern Territory is in the process of establishing a migration planning unit. One of its functions will be to develop a scheme to encourage migrants to make the Territory their permanent home. As far as the Northern Territory is concerned we welcome all migrants whether they wish to live in our capital of Darwin, or elsewhere in the Territory. I would appreciate receiving your final report on this matter and applaud your efforts to attract migrants to the more isolated parts of Australia.

Obviously, at that time, and for many years since that time, wherever I have travelled outside of the metropolitan areas the most
interesting thing you see, at least amongst official authorities, is dramatic support for a larger immigration program, something that the government has not been prepared to adopt, and certainly measures to encourage migrants to go and live in these areas. Even though this matter was discussed, as I say, more than 10 years ago, the trend has actually been the opposite: the majority of migrants still tend to go to the metropolitan centres and especially to Sydney. I suggested at the time that we needed to adopt some pretty dramatic manoeuvres in order to try to ensure that more migrants went to regional centres. I will just quote what I said:

I wish to float a proposal which I want to stress is my own personal view, as to how we may approach this problem. First, it is clear that we need more than the five concession points within the program if we are to have any impact on the distribution of migrant patterns. I suggest that we need up to 15 points to be awarded for people who undertake to live for at least two years in a non-metropolitan or designated area.

This will mean that, as before, in the Concessional Family category, they will have to be sponsored, but the sponsor would be required to give an undertaking to do everything in their power to ensure that the person is able to live and sustain themselves in the non-metropolitan centre. I am not here speaking of a legally binding assurance of support, rather a broader commitment on the part of the sponsor to assist the sponsored migrant to find work, accommodation and general support in the non-metropolitan region.

Second, I think that we need to extend the program beyond the Concessional Family category to the Independent category as well. For such independent migrants, what would be required would be simply a job offer of at least one year’s duration from a company or a firm or public body operating in one of the non-metropolitan areas. This offer would not necessarily be in the form of a legally binding contract, but obviously the employer would be expected by the Immigration Department to meet their undertaking to employ the person concerned and would also be required to show cause in the case in which they breached the one year agreement with the employee.

I believe that an arrangement of this kind would ensure that, from the point of view of the sponsors of people to non-metropolitan areas, there would be sufficient initial support for them to go to those areas.

The scheme which has been adopted is similar to that suggestion, but it is interesting that the immigration department persisted for a number of years with the idea that such a scheme could not be put into place. This is not unusual. We have very often in public policy a slowness to pick up suggestions and ideas, and I was not the only one suggesting that we needed some pretty dramatic action in relation to this. Actually, the scheme was not introduced until 1995.

It is interesting that the people making applications have to meet certain criteria. Some of the criteria they have to meet include that they must hold a visa of an acceptable kind or, before becoming an unlawful non-citizen, have held an acceptable visa, for example, business (temporary), medical practitioner, business long stay, et cetera; be nominated by an approved employer for an approved appointment in Australia, which is very similar to what I suggested; be under 45, except in exceptional circumstances—I do not know why that is there, because there are some people above 45 who can make a contribution—and have a diploma or higher qualification that is relevant to the appointment, except in exceptional circumstances.

The contribution from the member for Riverina raises an interesting question: why do these people have to have a diploma or higher qualification? I do not see why this scheme could not be extended to people who have all sorts of qualifications—even to people who, while they have skills in a particular area, perhaps do not have a recognised qualification but have the potential to be recognised in that area. So one of the things that I urge in relation to this program is that we should really be more generous with it and extend it. I think that is very important because, if you have a look at the statistics about the success of the program, it is not exactly dramatic, given the overwhelming need for people to be encouraged to be employed in regional areas. In 1996-97 there were only 171 visas. This increased somewhat in 1997-98 to 581. In 1998-99 there were 765, but in 1999-2000 they had gone down to 664. So the scheme is not really doing the job.
One reason why the scheme is not doing the job is that the criteria that have been set down are too restrictive. I am sure, especially with this new power we are going to give the minister, we should be looking at a quid pro quo—that is, let us give the minister new power, but let us also make the criteria for the scheme more generous to include people who have other types of trades, qualifications and skills, as was mentioned by the member for Riverina and, I am sure, as would be the position of other members of the National Party and other members of parliament who represent country areas. Surely we should be moving to ask the minister to change the criteria under which the scheme applies so that we have a situation where people who are needed for a variety of realistic positions in country areas can be sponsored. Why not? Why can’t we do it? I think this is an important matter.

The other thing that needs to be looked at is the question of who can sponsor. Obviously, we have an assortment of employers, various development commissions and so forth, but I would like to see whether in fact we can encourage local governments and various organisations, including non-profit organisations, in these areas that may need specialised staff, such as medical people. We have the minister talking about a special scheme for doctors, but what about various other people that are required in the medical area, such as nursing staff and subsidiary staff? Why can’t we have this scheme encouraging that? I am not saying that, formally, they cannot apply under it, but I am saying that the scheme ought to be more broadly advertised and that people who have a need for labour of all types ought to be encouraged under that scheme. But, for that to be the case, as I have mentioned, the requirement for a diploma or higher qualification needs to be amended so that people with a variety of skills can apply.

One of the reasons we have problems with the support of the immigration program in the general community at the moment is that we really have not done enough in the area of promoting the idea that there are areas of Australia where migrants are welcome, where they can make a contribution and where they can get jobs. We really have not done enough to promote that. In Australia, we have not only the big cities; we have a significant number of regional cities and centres to which this program applies, and they should be encouraged by a much more vigorous pursuit of this program by the Department of Immigration and Multicultural Affairs. I hope that will happen.

Together with that more vigorous encouragement, we need to look at this continuing idea that the program should remain at a flat level, as it has for the last few years. As a number of people have already commented, we have the worst possible immigration outcomes at the moment. We have flattened the level so that, when you take into account the number of people leaving permanently, our population growth is very small. At the same time, we have a situation where there is a desire in many parts of Australia—not in Sydney; perhaps not in Melbourne, although that is debatable—for more migrants from all parts of the world, not only skilled people but even, as the member for Riverina mentioned, people who are relatively unskilled but who are prepared to work and to build communities and societies in those places.

As a result of what has happened and with the continuing furore of the Hanson phenomenon, everybody is running scared about having any reasonable level of immigration. This is notwithstanding the fact that all the evidence now clearly shows that we are going to stand still in population, virtually. Our population is going to increase at a very slow crawl, and we will have serious problems about the ageing of the population if we do not do something about increasing immigration to a reasonable level. We need to do that if we are to really build on this program. Let us build on this program. Let us really go out and sell it, but let us also increase the numbers in the total immigration program to take those people. Let us not increase it at the expense of other programs. Let us increase it as justified in itself.

I think the minister ought to set a much greater target for this program and ought to
do so by also increasing the overall immigration program. I am not alone in thinking this. Recently, the Business Council of Australia have made representations to the government. They are very concerned about the fact that the immigration program is not orientated towards bringing sufficient numbers of people here and to bringing people who have relevant skills here.

I might mention that I have some questions on notice about the issue that was raised with me by the chairman of Ericsson Australia. There are 35,000 unfilled positions in the IT industry in Australia. Can you imagine what this means in employment terms? What has happened is that Ericsson and other IT companies are scrambling around trying to do anything and everything to fill these positions. I am not saying that we should not train Australians to fill these positions; I believe we should. In fact, I am trying to initiate concrete measures for that to happen in my electorate. But I also say this; we can also fill a lot of these positions if we have a better international recruiting program—that is, through the immigration program.

When you talk to the minister about this, he says, 'They don’t want to come here.' I can tell you one major reason why they do not want to come here. They do not want to come to Australia because they are given no concessions for their families. The family reunion program is being destroyed—and I am talking about the real family reunion program, not the way the minister juggles the figures when he includes spouses in the family reunion program. I am talking about brothers, sisters, nephews, nieces and parents. Because of the huge reduction that has occurred in the last few years in that program, people who are skilled do not want to come to Australia. They say, ‘Why should I come to Australia and not be able to bring my mother and father or my sister or my brother?’ Other comparable countries such as the United States and Canada actually allow this type of immigration for skilled migrants. They allow them the right to bring their family, but we do not. As a result of that, we are missing out. We are missing out in the country areas as well as in the city areas.

Let me say that I support giving to the minister the additional power to deal with people who abuse the program. I do not want to see the program abused. I want to see the program dramatically expanded, and therefore it is a reasonable concession to give the minister this power. I do not believe the minister would abuse this power. I think this power is important; however, in giving the minister this power, I also call upon him to dramatically increase the size of this program to make it a real program to help all the people in the regions of Australia.

Mrs May (McPherson) (11.52 a.m.)—The Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000 before the House today strengthens and maintains the integrity of the Regional Sponsored Migration Scheme. This bill will give employers in regional and rural Australia confidence in the Regional Sponsored Migration Scheme. The RSMS is a scheme that delivers skilled persons to those areas of Australia that desperately need to attract, increase and keep a skilled labour force to enable them to survive as thriving communities. In June 1999, the Minister for Immigration and Multicultural Affairs, the Hon. Philip Ruddock, referred an inquiry to the Joint Standing Committee on Migration to review and report on the range of state specific migration mechanisms and whether these mechanisms meet the needs of state and territory governments for skilled and business migrants. One of those mechanisms is the Regional Sponsored Migration Scheme.

The Regional Sponsored Migration Scheme helps employers in regional and rural Australia who are unable to fill a skilled position in their business from the local labour market. Under the scheme, employers are able to nominate people from overseas, or temporary residents that are already in Australia, to fill full-time positions. The Regional Sponsored Migration Scheme offers significant advantages for regional employers—processing is quick, with more stream-
lined labour market testing than is required for skilled migration sponsorship. Employers can nominate a person and, providing the regional certifying body is satisfied that the vacancy cannot be filled from the local labour market, is available for two years, requires qualifications at the diploma level or above and is in accordance with Australian standard award wages and conditions, and that the employer has, or will enter, a two-year employment contract with the nominee, certification will be granted and nomination passed to the local Department of Immigration and Multicultural Affairs office for consideration.

The take-up rate for RSMS has been increasing steadily, and I take the point of the member for Calwell that we could do a little more in advertising this scheme. It is a good scheme; it is worth getting involved. But, certainly, it is meeting the needs of those communities where skilled labour is difficult to source from the local community. During the inquiry we have certainly seen that in communities we have visited throughout Australia. Some statistics which may be of interest are that, from 1996 to 1997, there were only 170 take-ups of the visa but from July 2000 to January 2001, 521 visas were granted, so there has been a considerable increase in the take-up rate. South Australia, in particular, has embraced the RSMS with more than 237 RSMS visas issued from July 2000 to January 2001. During the course of our inquiry the committee visited such centres as Mount Gambier, Kalgoorlie, Darwin, Brisbane, Townsville, Smithton in Tasmania and Adelaide. We have tabled more than 60 submissions from around Australia, including from the communities of Griffith, about which the member for Riverina spoke, and Ipswich.

The RSMS was applauded by local councils and community groups throughout the inquiry. When they came to give evidence to the committee, the local councils and community groups said they were very happy to ensure that the scheme was successful and that people were encouraged to stay within their communities. The local councils were doing all they could to encourage these people to stay after the two-year contract had expired. They went all-out to make sure families were integrated into the community and children were integrated into the local schools and sporting organisations. It really was a 100 per cent effort from those local communities to ensure that people were made to feel welcome and comfortable and wanted to stay and contribute to those communities that they had entered.

The Regional Sponsored Migration Scheme encourages the migration of skilled persons, particularly for the benefit of regional and rural Australia. The Migration Regulations 1994 provide that a criterion for the granting of an RSMS visa is that the applicant has been nominated by an employer who will provide full-time employment for at least two years. With the increasing number of Regional Sponsored Migration Scheme visas being granted, the purpose of the amendments is to safeguard against any potential misuse of the RSMS and to discourage persons who do not have any genuine intention of settling in regional or rural Australia. The proposed new cancellation scheme will, subject to certain requirements, enable the minister to cancel a person’s Regional Sponsored Migration Scheme visa if the minister is satisfied that either the person has not commenced the employment referred to in the relevant employer nomination within the prescribed period, or the person commenced the employment referred to in the relevant employer nomination and the employment terminated within the required employment period of two years, and the person does not satisfy the minister that he or she made a genuine effort to commence that employment within that period or that he or she has made a genuine effort to be engaged in that employment for the required employment period. These amendments are critically important to the integrity of the scheme. As I said earlier, it will give certainty to employers and to those communities that identify areas of skilled employment that are crucial to a community’s survival.

I would like to give you an example of what we saw during the committee’s inquiry—a blatant misuse of the scheme,
which really left a community begging. A community based child-care centre sponsored a child-care worker for a temporary residence visa for a period of four years. The child-care centre was in a remote part of Australia, which has great difficulty attracting skilled workers. The nominee asked the employer for permanent sponsorship under the RSMS so that they could access Medicare and other benefits, as their spouse was not working and they did have a child to support. The employer was desperate to keep the nominee happy and accommodated their request because they had, in the past, found it very difficult to recruit child-care workers. They were prepared to do anything as long as they maintained the continuity of the child care for the children at the centre. Once the nominee’s visa was granted and evidenced, the nominee resigned from the centre and left the town. I think all in the House today would agree that that is just not the sort of migrant we want to attract to this country—and certainly not to rural and regional Australia. This bill before the House today will cut that sort of abuse out.

On a more positive note, during the inquiry and on our visits throughout Australia, we found out about and heard of shortages in some incredible areas. In the western Murray district, we found there was a shortage of table grape pickers. That may seem like a fairly simple task but we were assured that, even though it may be considered an unqualified task, it is in fact a skilled task. There are many Australians, apparently, who could not last half a day out in the grape paddocks picking table grapes, but there are people from overseas who are skilled at it, and who contribute to the output of that industry as well as to the stone fruit industry. We heard today from the member for Riverina that they are desperate for workers down there. Picking fruit is a skill and they desperately need workers in that area. In Ballarat there was a need for a saw doctor—somebody who fixes and sharpens the teeth of circular saws—but they were not able to attract someone with that skill. I think you can see from our inquiry, as we certainly saw, that right across Australia there are skilled positions that are not able to be filled with our own local labour force.

The RSM scheme gives us the opportunity to bring in skilled workers from overseas and the bill today ensures the integrity of that scheme. The Regional Sponsored Migration Scheme is an extremely important and integral part of skilling Australia, skilling rural and regional Australia. The amendments in this bill will go a long way to ensuring that unscrupulous employees, or migrants, who come to this country to work will have their visas cancelled if they do not meet the requirements of the bill. I commend the bill to the House.

Debate (on motion by Mr Martyn Evans) adjourned.

TAXATION LAWS AMENDMENT (EXCISE ARRANGEMENTS) BILL 2000

Second Reading

Debate resumed from 7 December 2000, on motion by Mr Hockey:

That the bill be now read a second time.

Mr CREAN (Hotham) (12.02 p.m.)—The Taxation Laws Amendment (Excise Arrangements) Bill 2000 ensures that excise administration is transferred from Customs to the tax office. It actually took place almost 18 months ago and this bill simply regularises what has now been an administrative reality. We are not opposing the transfer; we are simply saying that, like so many other things in the taxation area, it is an approach that has been massively delayed because of the Treasurer’s, in particular, and the government’s more generally, obsession with the GST. This is another example of a government that has not got its eye on the ball, a government not prepared to understand the detail of its own tax administration system so as to address it in a way that plugs the leakage of revenue base. We have already seen how the Treasurer is soft on tax cheats and the top end of town because he has now withdrawn his bill in relation to trusts, is refusing to engage Labor in discussions to address the genuine concerns of farmers and small business trust holders and has torn up an agreement with the Labor Party to intro-
duce this legislation. This is another piece of legislation where his eye was off the ball and government revenue was leaking as a result.

General tax administration has suffered because of the priority of the GST, and excise is simply one area where it has occurred but there are many others. Labor forced the government to lift its game in the excise administration area, specifically on the question of fuel substitution and in clamping down on the illicit tobacco market. The shadow assistant Treasurer, the member for Wills, who will be speaking later in the debate, has been particularly vigilant in exposing the government in these areas and he rightly deserves much of the credit for the tightening of the law in this area which occurred last year.

This is not the only area of law where Peter Costello has been asleep at the wheel. Earlier this week we had the farce of the aircraft noise levy exposed, where the government has been collecting a tax to the value of almost $200 million unlawfully. He had to introduce a bill to fix up the mistake and to fix it up retrospectively. Labor, as a responsible opposition, has supported that legislation in the House, as we also will in the Senate. But what do we find from the Howard government and all of its ministers? We find blame shifting again—it is not the government accepting responsibility for this but the Treasury. Yesterday, we had the Prime Minister accepting credit for the cut in interest rates but last year he was blaming the Reserve Bank when it put them up. This is a Prime Minister who claims credit when everything is going well but finds everyone else to blame when things are going badly. They seek to shift the blame but push to the front when there is good news to be claimed.

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 condemns the Government for:

(1) failing to listen to the community concerning the GST impact on excise levels,

(2) opposing Labor’s private member’s bill giving a fuel excise cut to motorists yet allowing a Government backbencher to introduce his own private member’s bill that would tear up the Intergovernmental Agreement signed with the States;

(3) belatedly reducing only a portion of its GST fuel excise windfall merely because it is in a state of panic because of the upcoming Ryan by-election, and

(4) its poor administration of the excise regime.

I want to go to each of these issues contained in the second reading amendment. For months, eight months in fact, since the introduction of this GST, the Australian motoring public has been calling for relief from the excessively high petrol prices. It is true that a reason for those higher prices was what happened to the world price of oil. But what is also undeniable is that the other reason petrol prices were forced up more than they needed to be was that this government broke a promise in relation to the GST. The promise was simple and it was unequivocal. It was a promise that said, ‘The GST will not put up the price of petrol.’ Further, the Treasurer said that the government would ensure that the excise on petrol fell by the equivalent amount of what the GST would go up by—the equivalent amount. But what happened when the government implemented this so-called policy? Bear in mind that this was the policy they introduced during the election campaign: the price of petrol will not go up due to the GST and we will reduce the excise by an equivalent amount. What did they do? The GST put the price of petrol up 8.2c per litre but they reduced the excise by only 6.7c a litre. They pocketed 1½c on every litre of petrol sold every day, every week, every month of the year in this country. That was a huge deceit on the Australian motoring public, and we drew attention to it immediately. Interestingly enough, the Treasurer, never shy to front a television camera when it suits him, was missing in action when this announcement was made. He flew to Paris and left it to the hapless Minister for Finance and Administration, Minister Fahey, to make the announcement. Peter Costello knew he had broken his promise and he fled the country—
fled the country as he was slugging Australian motorists on each litre of petrol and breaking a promise that he swore hand on heart during the election campaign that he would honour.

We persisted with a campaign immediately to ensure that the government honoured its promise. It cannot go to the electorate and promise unequivocally that the price of petrol will not go up as a result of the GST and then dud them when it comes to the implementation and be allowed to get away with it. So we did mount a campaign about this issue, as did motoring organisations, as did outraged people in the public, seeking to have the government honour its promise. If in the lead-up to the campaign the government was telling the Treasury of its policy and the Treasury was looking at the government’s promise, which was to reduce excise by the equivalent amount—but it reduced it by 1½c less—there had to be a windfall for the government, a windfall that was not budgeted for. So our argument always was that the relief could be given on petrol without affecting the budget because it was a figure never budgeted for. It could not have been, if the Treasury was taking notice of what the Treasurer and the Prime Minister promised. We were saying, ‘This is not a hit to the budget; this is a windfall that should be given back to Australian motorists.’

But the windfall did not just stop there. That was the first of the windfalls, the 1½c per litre. Bear in mind that the price of petrol at which the government struck the decision about excise was a strike rate which the government said was 90c a litre, and that subsequent to that decision the price of petrol was consistently around the $1 mark. So there was a further windfall by virtue of the fact that the strike rate was higher again than would have been budgeted for. In addition to that, for every cent that the price of petrol goes up, the government pockets one-eleventh of it. Why? Because the GST is a retail tax. The excise tax used to be a flat rate tax but the GST is a retail tax. So, if the price goes up and it goes up above what the government was projecting it would go up, there is another windfall. That is not to mention the fourth windfall, which is what the government gets from the petroleum resource rent tax. You get the picture. Here is the government telling people it cannot afford to give them relief on petrol when it is pocketing not just windfall on one count but probably on four or five different counts.

The government has not come clean on these figures, and it is a disgrace that it has not, because it promised to be a government of honesty in terms of the budget. We have been asking for the assumptions on which Treasury and the government based the projections and forecasts on petrol, and we still have not got them. Why? Because we know they are hiding something. We know that there is windfall; what we do not know is the exact amount. It was for that reason that Labor introduced a bill into this parliament through the Leader of the Opposition to get the government, as the first instalment of returning windfall, to freeze the February adjustment on the petrol excise.

We also established an inquiry into what is going on in this industry and how the government is ripping off Australian motorists. We tried to get the Democrats to agree to that inquiry and to do it through the Senate. They would not do it, so Labor established its own inquiry. It visited over 30 locations around the country and took formal submissions. It was that inquiry that recommended to the parliamentary Labor Party the basis for the bill I talked about before. That is why the inquiry is continuing. We also want the inquiry to address a number of other issues. First of all, we want to know the full extent of the windfall because, as the second instalment, our commitment was to establish the extent of the windfall, the precise amount, and look at options for returning that windfall in addition to the freeze last February.

We also want to look at the city-country divide which is widening under the new arrangements. We now have a situation where people in regional Australia can pay more tax on their petrol than people in the city. Why? Because we have a retail tax—the example I used before. The GST is on the retail
price. So where the margin is wider, it compounds it, and it is worse in rural and regional Australia. Everyone knows that people in rural and regional Australia pay bigger margins, not just on petrol but on food. Under the old system, everyone paid the same amount of tax, regardless of where they lived. Remember the Prime Minister’s Nyngan declaration? I direct this particularly to the member from the National Party who is sitting in the chamber at the moment, the member for New England. When the Prime Minister went on that tour in January last year and started to see the hurt out in regional Australia, he said that nothing the government did would see services taken from the regions and that they would not seek to widen the city-country divide. Yet six months later, they introduce—by the deceit of their broken GST promise—a mechanism which, in addition to the deceit, widened the tax that can now be paid in regional Australia versus the city. So the city-country divide and ways of addressing it is also an issue that we want the inquiry to look at, as we want them to look at LPG.

Nothing in the Prime Minister’s announcement the other day—his backflip on petrol—addresses the issue of LPG, which is used a lot in regional Australia. It is encouraged to be used as an environmentally sound substitute for petrol, but now we are seeing a situation where the price of LPG has skyrocketed as well. LPG took the whole hit in the GST—there was no reduction. It was a total increase as a result of the GST. Yet nothing has been announced by the government on that in its petrol backflip. They are the issues that we want the inquiry to continue to look at.

When we proposed the establishment of this inquiry, what was the Prime Minister’s response? He said that petrol has been inquired into to death; we do not need another inquiry. He was totally dismissive. Yet, when he did his backflip, what did he announce, apart from the backflip, apart from adopting Labor’s strategy? He announced another inquiry. How can you treat this Prime Minister seriously? That is the question that has to be asked. This is a Prime Minister who said that you could not give increased funding to roads as well as a cut in petrol excise because that would wreck the budget. This is a Prime Minister who said that we do not need another inquiry into petrol, a Prime Minister who was out of touch and not listening to the Australian public when they were saying, ‘Please, Prime Minister, do something about petrol.’

We had some of his backbench in revolt, but they were heroes at home in calling for relief on petrol prices, but when they came back they were cowards in Canberra. They were running around their constituency saying, ‘Isn’t the price of petrol terrible? We’re going to go to Canberra and tell the Prime Minister he has to do something,’ and they wimped out when they got here. When Labor sought to introduce the legislation to give the relief, the freeze on excise that they were telling their constituents they supported, they would not vote with us in the chamber. We made sure that their constituents knew that. We made sure, in every one of the circumstances where a member of the coalition had been urging petrol price relief at home but voted against it in Canberra, that their constituents knew. I believe those constituents will remember that when they come to vote at the next election.

Here was a government that continued to use its numbers to stop Labor introducing its bill to freeze the excise on petrol back in February. Every day the government denied us the ability to move that bill that would have reduced the excise on petrol backflip. From 1 February through to when the government did its backflip, there was another $43½ million ripped off Australian motorists because of the broken GST promise. But what hypocrisy on the part of the government. They deny Labor the chance to move its bill that would have reduced the excise on petrol but, in the blame shifting exercise in which the Treasurer and the Prime Minister got so worked up—beginning with the Prime Minister on the weekend saying, ‘If we have to give back money on petrol, why don’t the states do it as well?’—they allowed their own backbench to draft a bill to introduce into the parliament.
There are two dimensions to this. ‘Fair enough,’ people might say. ‘If the federal government has reduced excise, why not the states?’ There are two important reasons. Firstly, the states did not break a promise in relation to the price of petrol and the GST and they did not reap a windfall because of that broken promise. Their capacity to afford it is not the same as the national government’s. It was the national government that broke the promise and reaped the windfall, not the states.

Secondly, if this private member’s bill, which for all intents and purposes may be the same as the one that Labor already had in the chamber, were to impose the reduction of excise on the states—and that is what we understand the member for La Trobe is supposed to be drafting—it would effectively be tearing up the intergovernmental agreement between the federal government and the states on the allocation of GST revenues. We must understand the significance of that. The government said, ‘The way we can guarantee that the GST will never rise is that it has to have the agreement of all states because we are locked into an understanding with them.’ At the time we said, ‘That’s rubbish. The government can change the rate of GST by a simple piece of legislation saying that, instead of the rate being 10 per cent it is now 15 per cent. The federal government can do that unilaterally.’ They said, ‘We can’t because we have got the agreement.’

If the government persist with their bill, they are demonstrating what we were saying was correct. If they can tear up the agreement with the states and force them to have a reduction in terms of a revenue source, they can also tear it up in relation to the GST rate. And what does everyone think about this GST? They know it has ripped them off left, right and centre, but the greatest fear they have is that the government will put up the rate. The government say, ‘We can’t do it because we have got an agreement with the states.’ This little exercise, apart from its hypocrisy, demonstrates how easy it is for this government to tear up the intergovernmental agreement. If they can do it on petrol to the states, they can do it on GST to the nation.

The government cannot be believed on a thing that they have said in relation to the GST.

It is not just petrol that they promised would not go up. They said that the price of ordinary beer would go up only 1.9 per cent. Yet it has gone up more than 10 per cent. The Prime Minister went on radio, hand on heart, and said, ‘Ordinary beer will only go up 1.9 per cent.’ Then he said he was referring to packaged beer. Doesn’t he think draught beer is ordinary beer? He probably hasn’t been into a pub for a while. But ask any ordinary Australian whether they think draught beer is ordinary beer. Ask them what they think about being told by the Prime Minister that ordinary beer will go up only 1.9 per cent but he whacks it up 10 per cent. No wonder they are worried. The government have not even got the numbers or the authority to pass this measure because it is not legislated for. It will be interesting to see what happens when it comes before the Senate.

The government also promised that everyone over the age of 60 would get $1,000, until after the election when John Howard said, ‘Read the fine print.’ We have seen them clawing back the pensioners’ entitlements. Their other promise was that everyone would be better off under the GST, except tax cheats. Every survey that has been published shows the majority of people consider themselves worse off. The government also said that the GST would be good for the economy. Look at yesterday’s figures—an economy which has been growing for 9½ years goes into reverse two quarters after the GST was introduced. And the Treasurer says they are one-off factors. One-off factors!

Where did we ever hear the Treasurer claim that there would be a dip in growth as a transitional phase of the GST? Sure we heard him say it in relation to inflation—that there would be an inflation spike due to the GST—but he actually argued that the GST would improve economic growth. How is it that just three months ago in November, in the middle of this quarter—for which figures yesterday showed the economy to be contracting by 0.6 per cent—he could go on na-
tional television and tell the Australian public, ‘The economy is not contracting; it is growing faster than we thought. We are revising upwards the growth forecasts’? That is another example of a government with its eye off the ball—another example of a government simply not listening.

We know why the government has backflipped on petrol. We know why the government has backflipped on BAS—the business activity statement. It is not out of concern for small businesses, which are swamped in red tape by having to collect this GST and becoming unpaid tax collectors for the Australian government, instead of getting on with what they want to do and what they are good at, which is running their business—nor is it out of sympathy for Australian motorists that the Prime Minister has dropped the price of petrol by 1½c a litre. He has done it to save his own hide.

In relation to the Western Australian and Queensland elections that have just been held and which have seen decisive wins to Labor in both states, we said, ‘The Prime Minister is out of touch. He is arrogant. He is governing for the top end of town only. If you want to send a message to John Howard that he has to do something about the GST, vote Labor. Vote Labor in Western Australia and vote Labor in Queensland.’ And they did. That is the same issue, but this time in the federal forum, that is being confronted in the Ryan by-election. Here is an opportunity to say again—this is an election that cannot change the government, but it can send a signal—‘We are sick to death of your deceit, Prime Minister. We are not going to be treated as mugs. You promised us so much about the GST and you’ve failed to deliver on every count. You’ve dudged pensioners. You’ve dudged ordinary Australians. You have not just mugged the economy; you’ve king-hit it.’ The economy was growing for 9½ years and it is now in reverse. That is what has been achieved as a result of a GST.

I know the Treasurer loves to tell people that he believes in low taxes—that he likes to believe in low income taxes. The trouble with the Treasurer is that he only ever wants to talk about income tax cuts; he never wants to mention what he takes out of the other pocket. He will always try to tell you how much he is giving you with one hand but never what he is taking out with the other. There was an interesting article in the Bulletin this week by Max Walsh headed ‘The tax-and-spend Liberals’, which says:

In fact, the Howard-Costello government is the highest taxing government in Australian history. It then goes on to cite the figures—an interesting article. The parliamentary secretary at the table might like to read it. We will circulate it because I think the Australian public needs to understand. It is a government that says it believes in low taxes but it is, in fact, the highest taxing government in Australian history. And those figures are before we know the full take of the GST. We still have not got from this government how much they have actually collected in the first eight months of the GST. They brought forward the mid-year economic forecasts to hide what had started to come through in terms of GST collections. They smugly snigger when they are talking to and backgrounding journalists in the gallery about how huge a windfall they are going to get. But if they are collecting a windfall on the GST, who is paying? It is the ordinary Australian citizen.

The government based its compensation package on a set collection of the GST, a revenue collection. If it is collecting more, the compensation is eroded. It is as simple as that. Why will they not tell us the figures? It is because they have more to hide. That is why we have been telling the government to release those figures before the Ryan by-election, but also release the figures on what the state of the surplus is and what your economic growth forecasts are because they change the parameters around which a budget is framed. But they will not do it. They treat the voters of Ryan like mugs, just as they have treated the Australian public like mugs over the last couple of years. They promise them everything in relation to the GST and dud them on every one of those promises.
That is why this government is not only the highest taxing government in Australian history but the most dishonest of governments that has ever sat over there—a government that promised budget honesty but that has delivered none of it. That is why we are calling for the government to release those figures today, to give us the growth forecast, the surplus forecast, but most of all to tell us how much they have ripped off through the GST. (Time expired)

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

Mr Martyn Evans—It is, Mr Deputy Speaker.

Mr St CLAIR (New England) (12.33 p.m.)—I have put my name down to speak on the Taxation Laws Amendment (Excise Arrangements) Bill 2000 to make sure that we look at good governance. The member for Hotham, in bringing in his amendment, has certainly opened up the debate. I am now looking forward to the time when we can reply to some of the issues he has raised. The general outline of the bill is that it gives effect to the transfer of administrative responsibility for excise from the chief executive officer of Customs to the Commissioner of Taxation. It should be noted that this includes giving authorised excise officers the same power to search for and seize evidential material and forfeited goods under warrant as Customs officers currently have in relation to excisable goods.

I return to the bill and the amendment. I would like to take up a few points that the shadow minister raised. I would like to go through them and talk about the hypocrisy of the Labor Party, particularly in regard to spending. I remind the members of this place, and certainly the Australian public, of Labor’s wonderful record of spending. In the federal budget of 1991-92 the Labor Party spent $11,500 million more than it received—hardly good management. In 1992-93 the deficit was $17,000 million. In 1993-94 it did not improve at all; it went to $17.1 billion. In 1994-95 the Labor Party’s deficit was $13.1 billion. In 1995-96, that infamous time when the Australian public finally threw them out of office, the budget was some $10.3 billion in the red. You cannot run an economy or a business by being in the red so often and to such an extent.

The question of fuel excise was raised today—a subject dear to my heart, coming as I do from New England and country Australia. As I have an electorate that runs to the Queensland border, I continually drive over that border, and the fuel prices in Queensland are some 10c to 13c a litre cheaper than in New South Wales. I have asked repeatedly in public why this is so. Why is the Carr Labor government in New South Wales continuing to rip off the motorists in my electorate of New England and around New South Wales by a margin of some 10c or 12c a litre? We all know, as was pointed out to us by the Treasurer again this week, that the states receive some 8.2c or 8.3c a litre in fuel excise revenue incurred and delivered via the GST. We often hear the Labor Party talk about the need to give back to fuel users, to motorists, some of that money—substantial sums of money; well over $400 million in the case of New South Wales. Yet the Carr Labor government delivers nothing whatsoever back to the motorists of New South Wales. Neither does the Premier of Victoria, Stephen Bracks, who is not returning fuel excise money to the states.

During the period that the Labor Party occupied this side of the House, excise was a matter on which the Labor Party looked very strongly. In fact, during the period of time that they were in government, they increased the excise on fuel from 6c to 34c. When the Howard-Anderson government came in, we looked at giving some relief to people using fuel. We wanted to bring in a scheme that assisted the transport industry, we wanted to bring in a scheme that could reduce the cost of moving
goods around this big nation, we wanted to bring in a system to assist those who were paying high prices in excise and we wanted to continue to assist farmers. So into this House came the diesel and alternative fuels excise bill, which was going to reduce the excise on diesel by some 17c per litre at that stage. It is now over 18c. This is the first government to actually reduce excise on fuel. We wanted to make sure that the transport industry would benefit from a substantial reduction of some 17c to 18c a litre on a fuel scheme and also, of course, to save another 7c or 8c a litre, because they get the input tax from the GST as well, therefore saving them some 24c a litre.

But what did the Labor Party do? The Labor Party did not support the transport industry receiving a reduction in excise. They did not support truck drivers and truck owners in the cities receiving this sort of excise reduction. In fact, they voted against these bills that brought in a reduction in excise of some 24c a litre for the transport industry. It is no wonder that those people in the cities who have trucks that operate 4½ tonnes through to 20 tonnes—

Mr Lawler—It is a rip-off.

Mr St Clair—They have been ripped off, as the member for Parkes says. They are the ones who are paying another 18c a litre on their fuel, on their excise, because the Labor Party do not support a reduction in excise on diesel. They also—and it needs to be raised here—excluded certain people from being able to achieve any reduction in excise. In my electorate of New England, outside of one of my major regional towns, Uralla, is the G&C Foundry. Geoff Swilkes and his wife are the owners of that business. They employ some 20-odd people and create wealth for this nation. They create employment opportunities and provide casting products that are used all over Australia. Indeed, they are looking to have their products excised and sent overseas. These people, because they are on a rural property, are unable to hook up to the power grid—they are unable to just simply plug in as they can do in the cities—with three-phase power to enable them to carry on their business. Instead, they have to continue to purchase diesel generators to assist them to develop enough power to run their foundry.

We on this side of the House wanted to help the G&C Foundry by bringing in a diesel excise fuel reduction of 18c a litre. These people use about a thousand litres of diesel a day. And what did the Labor Party do? They voted against these people receiving a reduction of 18c a litre.

Mr Lawler—They hate small business.

Mr St Clair—Exactly. As the member for Parkes says, they hate small business, they do not understand small business, and when people are out there trying to provide a successful business and employ people in regional areas, particularly in country areas, we find that the Labor Party voted against these people receiving 18c a litre off the price of their diesel. It does not take much to work out—a thousand litres a day at 18c a litre—the substantial sum of money that those people are having to pay extra.

On fuel, this government said, ‘There’s an inequity between city prices and country prices; we understand it sometimes costs much more to bring fuel out into the country areas.’ The Howard-Anderson government said, ‘I’ll tell you what we can do: we can bring in a scheme to assist country people in an area of zones, and we’re actually prepared to reduce the excise again and provide an incentive of between 1c and 3c per litre.’ That is an example of the Howard-Anderson government understanding country issues, unlike the Labor Party who vote against this sort of legislation.

We were able to reduce excise on fuel by 1.5c a litre, we were able to deliver that modest decrease in excise nationally, and what did the Labor government of New South Wales do? They just said it was not enough. That was a golden opportunity, a wonderful opportunity, for the Carr Labor government in New South Wales to also, out of the revenue that they receive from the GST—which of course includes all the revenue that they get from their state fuel tax—return to the motorists, if not 1½c a litre,
Mr Lawler—They can afford it.

Mr St CLAIR—They can certainly afford it. Most importantly, there was the announcement this week, which I and the people of my electorate of New England certainly applaud—I know those in the electorate of Gwydir, John Anderson’s electorate, and in Parkes, down to Riverina and Farrer and all those coastal areas do too—that this government will remove the automatic indexation provisions for CPI increases on fuel excise. We must not forget who brought the legislation in to put that automatic indexation on fuel. It was the Labor Party. It is the Howard-Anderson government that has reduced it and is dumping it, getting rid of it. The necessary powers are to be given to the ACCC to make sure that people are out there ensuring that not only are the fuel companies passing on the 1.5c per litre excise cut—and I know that is happening; it is certainly happening in my electorate and I am sure in others—but that the 1c, 2c or 3c a litre that is being taken off for country people in isolated and remote areas is also being delivered to country motorists, that they can actually see that nobody in the middle is taking advantage of them.

There are only a few minutes remaining, and I did not expect to be here this long, but this also gives me a great opportunity, after the speeches of the member for Hotham and the shadow minister, to talk about another one of my favourite subjects, roads, and the fact that the Howard-Anderson government has delivered the Roads to Recovery program, for which John Anderson as my leader fought relentlessly. He was able to put a package together to deliver substantial benefits to country Australia. I come out of local government. One of the important parts we felt in having an input into the Roads to Recovery program was the fact that we needed to deliver the money for that program directly to local government and to bypass the states. We have all seen what happens when you give money to the states to be given on to somewhere else: there always seems to be a portion of it missing when it gets to the end of the day. We need to make sure that program funds that come from the Commonwealth go directly to those that can get most benefit from them. It is very important to be able to do that.

In my electorate alone the increase under the Roads to Recovery program that has delivered valuable dollars for councils to start constructing roads amounts to some $23 million over a period of four years. No government—nobody, certainly not the Labor Party—has ever delivered a Roads to Recovery type package that is actually delivering an improvement for council and country roads. You cannot deliver this sort of program, a program of some $1.6 billion, if you are always running a deficit account. You cannot do that; you can only develop and bring in programs that in fact are coming out of a surplus, a balanced budget, a fiscally responsible budget, which is what the Howard-Anderson government has been doing and continues to do. The Roads to Recovery program is indeed increasing viability by delivering services on the ground to a lot of the smaller areas in my electorate and elsewhere and increasing their security, as they know that they have money to spend on council roads. For too long in this place we have talked about the fact that there was nothing done during the Labor years, the 13 dark years. We did not see moneys being spent on such programs as the Roads to Recovery program. I commend John Anderson, the member for Gwydir and the Deputy Prime Minister, for being able to convince the rest of cabinet and for this government having delivered. Only this morning I was talking to one of my smaller councils who are graveling roads. They are doing a kilometre on 20 different roads through my electorate, to be able to make sure that our products get to market. We are seeing the results of that money working out on the ground all the time.

In talking to this bill, having listened to what the member for Hotham rambled on about this morning in his half-hour here, I say the hypocrisy of the Labor Party is beyond belief. The Treasurer stood in this place...
and said—if my memory serves me right, and I will check *Hansard* but I am sure he said—‘Hypocrisy thy name is Labor.’ You cannot come into this place expecting the Australian public and small business to believe that you can provide a credible alternative government. You cannot do that on your record. You cannot do that to small business.

Labor had 13 budgets, five election majorities, three summits, a series of economic statements and 4,638 days in government, yet it only promised patchwork adjustments to Australia’s unsustainable tax system. You did not do anything. All you did was to raise excise on fuel. All you did was to lift up the wholesale sales tax rates right across the board on everything that was purchased, particularly for manufacturing. You discriminated against small business. You made it harder and harder for small business to provide employment opportunities in this country, and that is why you had 11.4 per cent unemployment rates. Indeed, Mr Beazley was the finance minister at the time that you had these disastrous rates, which so badly affected small business in this nation. *(Time expired)*

Mr KELVIN THOMSON (Wills) *(12.53 p.m.)*—The 20 minutes of the member for New England has been devoted to trying to make voters and the Australian people in general forget one simple fact—that is, the Howard government promised that petrol taxes would not rise as a result of the GST but petrol taxes did rise as a result of the GST. It is that broken promise and the attempts of people like the member for New England to persuade people of something that is manifestly nonsense which have caused his side of politics to suffer the reverses that they suffered in Western Australia and in Queensland, and which have caused their electoral standing to be down to 30 per cent—the lowest electoral standing of his side of politics in a good 50 years. It is because they have tried to peddle that nonsense that the Australian people have turned their backs on them, and rightly so.

The fact is that, when the GST came in, the excise was reduced by 6.7c per litre but the GST added 8.2c per litre on to the level of petrol taxes. That 1.5c immediate gain increased as international factors late last year caused the price of petrol to go up generally. We had the GST as a retail tax, a 10 per cent tax, on the top, increasing the level of taxation again. We had a third increase in GST based petrol taxes in February this year when the excise adjustment included that GST spike. Another 1.7c a litre was added on to the level of petrol taxes and petrol prices. So the federal government is culpable in that regard. It stands condemned for that, and it has been dragged kicking and screaming to some reduction in the level of petrol excise to give back part of the windfall. What it has failed to do is identify and quantify the actual windfall. We are still waiting for that and for its assurances that the whole of the windfall will be given back to motorists.

The government are culpable in relation to petrol prices not merely on the question of petrol taxes but also on the question of petrol pricing policy generally. I take the House to a statement made by the member for Gippsland back in 1996. I am indebted for this statement to the Labor candidate for Gippsland, Bill Bolitho, a very energetic candidate who has researched some of Mr McGauran’s statements. He indicated that Mr McGauran, the member for Gippsland, said in 1996:

A Liberal and National Party Government will lift the veil of secrecy and introduce transparency and accountability into the pricing chain so that unfair price discrimination against country motorists is identified and outlawed.

The member for Gippsland went on to state that the Australian Competition and Consumer Commission would be directed to examine prices at every stage from the refinery gate to the petrol pump to investigate any anticompetitive or discriminatory pricing schemes so offenders could be prosecuted. When Labor’s petrol pricing inquiry recently visited Bairnsdale, I read that statement out to the audience. The *Bairnsdale Advertiser* of 16 February reported:

The repeating of this quote from Mr McGauran brought sniggers from many in attendance.
And well it might, because the government—far from having the ACCC involved in ensuring greater transparency and accountability in the pricing chain—in 1998 deregulated the wholesale price of petrol and said to the ACCC, ‘Your services in monitoring wholesale petrol prices are no longer required.’ So the government did the exact opposite of what the member for Gippsland promised in February 1996, prior to the Liberal and National parties coming to government. Back in 1998, it seemed to Labor that this step was counterproductive. The idea that removing the wholesale price cap would lead to lower petrol prices seemed to us to be simply a gift to the oil majors and simply nonsense. Indeed, it has proved to be so because the extent of petrol price manipulation today is worse than ever. All too many motorists are conscious of the fact that prices move by 10c up and down on a daily basis or even an hourly basis. They know that there is price manipulation. They know that when you are pricing products generally—whether it is spanners, cornflakes or whatever—it costs you a certain amount to make the product, there may be a certain level of government taxation and then there is a profit margin on the top. Those things do not change on a daily basis or an hourly basis. When the price moves up and down by such amounts, it is simply as a result of price manipulation. This is also an area for which the government stands condemned.

It was very interesting to note that, when the government announced their backflip on petrol excise and said, ‘We’re going to cut the petrol excise by 1½c a litre,’ they also said, ‘We’re going to make sure that it’s passed on to motorists by having the ACCC monitor it and report back.’ When they took the ACCC off wholesale price monitoring back in 1998, they said, ‘The ACCC isn’t needed; the magic of the market will ensure that we get the lowest possible prices for consumers.’ But if they are really serious about getting prices reduced they get the ACCC in there, so they do not genuinely believe all this nonsense about the ‘magic of the market’. The government believe that, if you want the price of something to come down, you get the ACCC in there to monitor it.

Having made a few remarks in relation to the opposition’s amendment and in support of that amendment, I turn now to the bill itself. Each time pieces of legislation come forward which are said to address the problem of fuel substitution and excise arrangements, the opposition supports them. We say, ‘We will support the government in anything you do that you believe will reduce the harmful practice of fuel substitution,’ and we do it here again today. The Taxation Laws Amendment (Excise Arrangements) Bill follows a series of other bills that the government has introduced and which were alleged to address issues of fuel substitution. There is a sorry history of these bills. There was a package of some seven bills in 1997. In the words of the minister at that time:

The Federal Government is implementing strict new laws ... to combat the loss of revenue and stamp out dangerous and illegal practices resulting from fuel substitution.

You would have thought that was pretty clear, but the government failed to meet the lofty aims of that statement. Not only did it fail to meet those aims but, in an act reminiscent of the core/non-core definition of coalition promises, it downsized the aims and decided that combating the loss of revenue and stamping out dangerous and illegal practices should simply become combating the loss of revenue.

I would have been satisfied if the government was able to do that, but in fact it was unable to do that, so the bills kept coming. We saw the Petroleum Excise Amendment (Measures to Address Evasion) Bill 2000; the Excise Amendment (Compliance Improvement) Bill 2000—once again dealing with excise avoidance and evasion and boosting the powers of the Taxation Office—and then the Fuel Quality Standards Bill 2000, which set about seeking to create a new definition for fuel. Once again, this was something that the Labor Party supported. Indeed, the Labor Party and a number of state governments had been calling for just this sort of legislation and definition of fuel quality.
We now come to the latest step in this unhappy saga. This bill codifies the transfer of the excise function which occurred between 21 October 1998 and 12 July 1999 from Customs to the Taxation Office. This bill transfers the responsibility for the administration of excise legislation from the CEO of Customs to the Commissioner of Taxation. Indeed, the Commissioner of Taxation, Mr Carmody, has been acting in this role for over a year already. This causes us to wonder just why this bill is needed and, if it is not superfluous, shouldn’t it have come up sooner. It is not as bad a situation as the one we have talked about in the last couple of days involving the Sydney airport noise levy debacle where legislation is needed to be retrospective for a period of five years, but still it does not seem to be a very satisfactory situation.

The bill incorporates in the excise act the powers of officers that are currently conferred by the Customs Act for excise purposes and it requires forfeited goods seized by police officers to be dealt with in the same way as forfeited goods seized by officers exercising powers for excise purposes. That, in itself, is simply codification and should not lead to any changes in the way that excise is now being policed in this country.

I have expressed concerns, and will again, about what has happened to the policing of excise collection in the petrol area since responsibility for this function was transferred from Customs to the Taxation Office. It is my belief that once it was given this responsibility the tax office dropped the ball in relation to fuel substitution and gave the green light to fuel substituters and that the tax office was completely focused on the goods and services tax implementation. As a result, we have seen a series of policy failures and administrative failures on the part of the tax office. The business activity statement debacle is the most conspicuous of those, but in areas like superannuation guarantee compliance and fuel substitution we have seen the unhappy consequences of the tax office being excessively focused on GST implementation.

Australians need to have an understanding of the scope of the loss of revenue that has occurred because of the government’s inability to properly police the excise collection function. The tax office itself has admitted that over $100 million in revenue was lost in the fuel substitution scandal, but others have estimated that the amount of revenue lost was more like $300 million. Given the delicate state of the economy and the squeeze on the budget from this government’s recent backflips, one would have to bet that the Treasurer wishes the tax office had done a proper job of collecting the excise money.

I was interested to read in Louise Dodson’s article in the Age of 24 February that the Australian National Audit Office is reviewing the operation of the fuel excise regime and that sources indicate substantial losses to revenue are occurring because of inefficient administration of the fuel excise system. Australians will await the results of that audit office review with interest.

Every time petrol excise is mentioned, it provides trouble for the coalition government. Every time the government has a problem in this area it simply puts its head straight back into the sand. It has endeavoured to blame the states for fuel substitution problems and to say that this is the responsibility of the states. This is a shameful piece of duckshoving. When one thinks about the amount of money which is at stake here through the loss of excise revenue, one realises that it is clearly and absolutely in the Commonwealth’s interest and the Commonwealth’s responsibility to do everything it possibly can to crack down on fuel substitution.

I recently received an answer to a question on notice about the Commonwealth’s actions to prosecute those who have been avoiding excise. A truck driver was convicted on three counts of defrauding the Commonwealth, relating to excise evasion through the selling of marked solvent as petrol. Customs commenced two prosecutions during the 1998-99 financial year for similar offences. One of those prosecutions is not yet finalised and the
other was not pursued by the tax office on advice from the DPP. In the year 2000 one other prosecution was commenced.

Anywhere between $100 million and $300 million in excise has been lost, in excess of nine pieces of legislation about this issue have been brought into this parliament and car engines have been damaged. What do we get? Four prosecutions have been launched. There have been one finding of guilty, two cases not concluded and one case dropped. That is simply not good enough. For the government to try to buck-pass responsibility to the states is simply unsatisfactory.

Back in 1998 the government understood that it was its responsibility to address this problem. Then on 30 January 1998, Minister Truss said:

As part of this strengthening, detailed records must now be kept and maintained by anyone who sells, buys, transports or stores fuel. Customs officers will be able to enter premises, by consent or under the authority of a judicial warrant, to audit records and test fuels to determine if the chemical marker is present.

Earlier than that again, Minister Prosser had said in 1997 that the fuel substitution crack-down would be bad news for shonky operators who sold fuel blends containing concessional and waste fuel products as automotive diesel in order to avoid tax. He said:

There is no room in the petroleum industry for those who want to cheat the Government of revenue and expose consumers to considerable danger by selling them dodgy fuel.

Back then the government understood that it was its responsibility. Its members were saying that they were going to do something about it. Indeed, in March last year, when the issue was first raised with the Assistant Treasurer, Senator Kemp, he said:

This is a new problem.

It was anything but! He went on:

It is a problem which has arisen recently and the Commonwealth is extremely concerned to protect the revenue and cut out all rorts.

Subsequently the government has endeavoured to say, ‘We are not responsible for the quality of fuel.’ Officers from Customs have told the Senate economics committee that it is not the responsibility of Customs, that it is the responsibility of either other Commonwealth agencies or state governments. And officers of the tax office are saying, ‘We are not interested in the quality of fuel. That is none of our business.’ Then we have the Assistant Treasurer saying that this is the states’ problem. This is simply not good enough.

In 1998-99, when Customs was responsible for this, they visited 551 test sites and found 52 positive instances of fuel substitution. So in one in every 10 visits they conducted they found fuel substitution going on. That is a pretty serious racket. But instead of pursuing that—you would think that would lead to more testing and more prosecution action—they went in the reverse direction. When it got handed over to the tax office, from July 1999 to May 2000 they tested only 42 sites compared with the 551 in the previous year. Once again, with those 42 testings, they found eight instances of fuel substitution—a 20 per cent incidence of fuel substitution. So the problem is there all right. The problem has not gone away; it is simply that the tax office has lost interest in pursuing it.

When we raised this issue, we had the tax commissioner saying that the idea of getting out there and conducting that fuel testing was Boys Own Annual stuff. That does not fill you full of confidence. When the Customs office had responsibility for it, they were doing the testing and they were catching people. But when the tax office took it over, they dropped the ball in relation to fuel substitution. The trucks that were being used for fuel substitution were put into mothballs—they were not used—and indeed a couple of them were sold off and the effectiveness of the fleet was reduced by some 30 per cent. Those figures are damning of the role of Assistant Treasurer Kemp in relation to this area.

It is also not as if the tax office was not being alerted to the scope of the problem. There was correspondence from companies like Liberty Oil and Apco Service Stations in Geelong. They sent correspondence to Senator Vanstone, who was then customs minister, they sent correspondence to Senator
Kemp, Assistant Treasurer, they sent correspondence to the Attorney-General, Daryl Williams, and they sent correspondence to Treasurer Costello pleading with the government to take some action to get serious about fuel substitution. At the very time they were doing this, the government was abandoning that idea of testing and abandoning the idea of getting serious and cracking down on fuel substitution.

We in the opposition support this legislation, but we require the government on behalf of Australian motorists to get serious about cracking down on fuel substitution and making sure that these rackets get stopped and that this government does not send out a green light to fuel substituters.

Debate (on motion by Mr Ruddock) adjourned.

AUSTRALIAN RESEARCH COUNCIL BILL 2000

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Andrews)—The following message from the Senate has been received:

The Senate returns to the House of Representatives the bill for An Act to establish an Australian Research Council and to provide for the funding of research programs, and for related purposes, and acquaints the House that the Senate has considered message No. 646 of the House relating to the bill.

The Senate does not insist on its original amendments nos 3, 10 and 11 and its amendments nos 1 to 5 made in place of its original amendments nos 1, 8 and 9, disagreed to by the House; again insists on its original amendments nos 4 to 7 disagreed to by the House; and has made amendments in place of its replacement amendment no. 1 and its original amendment No. 3, as indicated by the annexed schedule.

The Senate desires the reconsideration of the bill by the House in respect of its original amendments nos 4 to 7 and requests the concurrence of the House in the amendments made by the Senate in place of its replacement amendment no. 1 and its original amendment No. 3.

Ordered that the further amendments be taken into consideration forthwith.

Senate’s further amendments—

Amendment in place of replacement Senate amendment (1)
(1) Clause 3, page 2 (line 11), omit “, at the request of the Minister,”.

Amendment in place of original Senate amendment (3)
(2) Clause 9, page 6 (lines 6 to 12), omit the clause (but not the note), substitute:

9 The Board’s functions
(1) In addition to the functions conferred on the Board by other provisions of this Act, the Board has the functions of:
(a) deciding the ARC’s goals, priorities, policies and strategies; and
(b) subject to subsections (2) and (3), initiating inquiries, on its own motion, into matters related to research; and
(c) ensuring that the ARC’s functions are performed properly, efficiently and effectively.
(2) The Board may initiate an inquiry under paragraph (1)(b) only if:
(a) the inquiry will not prejudice the performance of any or all of the ARC’s functions under section 6; and
(b) the Board has consulted the Minister about the proposal to initiate the inquiry.
(3) If the Board initiates an inquiry under paragraph (1)(b):
(a) the Board must provide the Minister with information about the results of that inquiry; and
(b) the Board may, if it considers it appropriate to do so, publish information about the results of the inquiry in such manner as the Board thinks appropriate.

Dr KEMP (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) (1.15 p.m.)—I move:

That the original Senate amendments Nos 4 to 7 and the amendments made by the Senate in place of its replacement amendment No. 1 and its original amendment No. 3 be agreed to.

I am delighted to move that the House accept the Senate amendments to the Australian Research Council Bill 2000. The passage of
the bill will put in place one of the central planks of the government’s framework for higher education research and research training announced in Knowledge and Innovation. The bill establishes the Australian Research Council as a new independent agency with the authority to make recommendations on the funding of research and with full responsibility for the new National Competitive Grants Program. The bill strengthens the ARC as an agency which provides strategic policy advice to the government. Throughout the debate on this bill I have made it clear that the government’s and my own view has always been that we want consultation with the ARC on own-motion inquiries. I am very pleased that the Democrats have taken a responsible position on this matter in the Senate and agreed to the amendments that are now before us.

It is important to recognise that this agreement between the government and the Democrats in the interests of Australian science and research and in the interests of the wider community means the defeat of the Labor Party’s campaign of obstruction of the legislation. Many people in the science community in Australia will welcome the fact that the government and the Democrats have been able to reach this agreement, because the Labor Party’s campaign of obstruction in this, as in so many other matters, was causing considerable concern. We have to recognise that the Labor Party has never taken a constructive attitude to this piece of legislation. Essentially it has been pushing amendments brought to it by lobby groups and it has not had the interests of Australian science at heart.

It was very pleasing to see today’s media release by the Chair of the Australian Research Council, Professor Vicki Sara, who welcomed the passage of the legislation in the Senate yesterday. In her media release, Professor Sara says as follows of the final resolution of the Senate:

... It fulfils a number of goals set out in Minister Kemp’s White Paper, “Knowledge and Innovation”, and later the ARC’s Strategic Plan.”

“Importantly, the new legislation provides the ARC with an organisational structure to achieve a number of the goals set out in “Backing Australia’s Ability - An Innovation Action Plan for the Future” released by the Prime Minister earlier this year,” Professor Sara said.

The legislation will establish financial independence and a clear and robust planning and accountability framework for the ARC. A Chief Executive Officer will be appointed who is directly accountable to a high level board of management.

Professor Sara was good enough to congratulate the government on its leadership and commitment in sponsoring this legislation. Of course, that is the view of the Australian science community. As I said, it was not impressed by the Labor Party’s ill-considered campaign of obstruction of this legislation. I am sure that this morning there will be people throughout Australia who will be delighted that this campaign of obstruction by the Australian Labor Party has been defeated by the Democrats taking a very responsible position in the national interest in the Senate.

The government welcomes these amendments as they come back to the House. I believe that they will contribute to a strong and vibrant research and research training sector in Australia. The Australian Research Council has a critical role to play in this and I look forward to working with the new ARC board in the near future. I urge the House to support the motion.

Mr LEE (Dobell) (1.19 p.m.)—This afternoon the Minister for Education, Training and Youth Affairs began his comments by saying that he was delighted to move that these amendments be agreed to. What he has sought so strenuously to cover up is the fact that this is simply the latest backflip in a season of backflips. I am not sure what the collective noun for backflips is—perhaps it is a circus of backflips. We are in the middle of a circus of backflips: backflips on the government’s position on research funding, backflips on the government’s position on tax on petrol pricing, backflips on the government’s position on the incredible red tape workload placed on small business through the BAS and, of course, backflips on the government’s position on a decent system of taxation of family trusts.
So, in the circus of backflips, this minister today is the great Waldo Pepper. He is there with the big red nose placed on his face, the paint on his cheeks, the funny hat and the funny collar. He was doing an amazingly large number of backflips here in this chamber in the speech that he has just given. Let me outline why the great Waldo Kemp is doing all these backflips and how he is doing those backflips. First of all, it was only days ago that the minister was in this chamber claiming that the government would not accept all these amendments which he is now accepting. He claims that in some way this is a great breakthrough, that the government and the Democrats have done a deal to stop the obstruction of the Labor Party. The people in the gallery have to understand that when this minister for education says black it usually means white and when he says white it usually means black. The truth is black. Instead of this actually being the government defeating the Labor Party’s amendments, what has actually happened is that the government has caved in to a whole series of changes that we initiated in this debate, and they are important changes and they go to the way that we fund research in Australia.

Dr Kemp—Tell us what they are.

Mr LEE—Listen, Waldo, you just sit there and be quiet as I was quiet during your contribution. Do a few more backflips and somersaults.

Mr Ruddock interjecting—

Mr LEE—You keep quiet, too. Why don’t you do a few backflips down the front of the chamber there?

Mr DEPUTY SPEAKER (Mr Andrews)—The honourable member for Dobell will address his remarks through the chair.

Mr LEE—Thank you for your protection, Mr Deputy Speaker. I do wish to make it clear to the chamber that the reason why we are very proud of the fact that the government has been forced to execute so many backflips in considering this legislation is that it is very important to the future of research funding in Australia. The reason why we have fought so hard on this legislation is that, despite the minister’s claims—

Dr Kemp interjecting—

Mr LEE—it is amazing that the minister does not seem to even understand the consequences of the motion that he has moved and that is before the House. So, for the benefit of the minister, let us go through this in some detail. This will take more time than we originally intended, but if the minister does not understand the legislation we are now considering I will go through it with him clause by clause.

The first point to make is that this minister, despite claims that the legislation strengthens the independence of the Australian Research Council, sought to do the exact opposite and sought to deny to the Australian Research Council the ability to initiate its own inquiries to look into the sorts of things that this minister for education wants hidden. One of the amendments that the Labor Party initiated in the debate in both houses of the parliament was our amendment to give the Australian Research Council the power to initiate these inquiries. When the minister was considering those amendments which came back from the Senate, he had these elaborate, long explanations about how there was no need for the ARC to have the power to initiate inquiries because the ARC could come and have a chat with the minister in his office as part of the usual review of their forward research program. The minister is quite happy to have the Australian Research Council’s powers to initiate inquiries completely neutered. It is because of the pressure that the opposition has placed on the government, with the support of the Democrats for most of the time, that the minister is in here executing a backflip with triple somersault and pike, and we welcome it. It is good to see him practising those gymnastic skills.

It is also important that people understand that other changes have been made to improve the way that this legislation will work. Not only will the ARC have the power to initiate advice but also we will have greater accountability from this minister and the government. More information will be provided in a speedy manner to those of us who are interested in this area to ensure that this
area is dealt with in a proper manner. (Extension of time granted) In a season of backflips, in this circus of backflips, it is good to see the government executing so many of them. We are pleased the government has finally agreed with the changes that Labor has been supporting in order to ensure the Research Council can continue to operate as an important source of advice to the government and to play its part in the funding of Australian research.

There are a few points I want to make about these backflips. The first one is that the minister did not have the courage to tell the parliament himself that he had been forced to accept the fact that this unreasonable legislation was highly unlikely ever to become law unless he executed the backflips. Instead of coming in here and trying to pretend that he has had some sort of win, you would have thought he would have the courage to come in and admit that he has been forced to back down in these areas. It is, of course, of little comfort to us in this House to know that the minister cannot even admit when he has been forced to back down in an area as important as this.

It was only a few days ago that the minister was claiming that these very amendments that he is accepting here this afternoon would, in his opinion, overwhelm the Australian Research Council with paperwork and red tape. So the amendments that the minister said would overwhelm the ARC with red tape and paperwork are now accepted as in some way improving the operation of the Australian Research Council—another triple somersault with pike. And we welcome that one, even though the government is being forced by the opposition and the Democrats to accept this.

We would have thought the minister would have learnt a lesson from the Greenwich University debacle. Thanks to this minister for education’s mishandling of that, we are now stuck with an Australian university whose courses, quality assurance mechanisms and academic leadership standards fail to meet those expected of Australian universities. To use his own words, he said late last year that their courses, quality assurance mechanisms and academic leadership standards fail to meet those expected of Australian universities, and yet we have this operation out of Norfolk Island still claiming to be a university.

If an institution is worthy of receiving research training money, we believe that they need to be subject to certain quality assurance mechanisms. That is the best way we can ensure that Australia’s high reputation in this area is protected. We also know that this minister is facing difficulties with the Australian Universities Quality Agency. It is still not nearly fully operational and it is scarcely the time for the federal government to adopt some hands-off attitude to this area. When there were media reports earlier this year about students’ results being upgraded because of offers of financial assistance to universities, the minister’s office claimed that the Australian Universities Quality Agency would be asked to investigate these allegations. Within days we found out that the AUQA does not have the ability to investigate allegations of this nature. So the minister’s office, either through complete ignorance or deliberate deception, was creating the impression that the Australian Universities Quality Agency could investigate these very serious allegations when in fact they had no such power. This area of the reputation of our universities is something that is extremely important. For those reasons, we are proud of the fact that the government has been forced to execute a circus of backflips. We believe that it does raise certain very important issues about the future of research in Australia.

This now brings me to the role that the Deputy Leader of the Australian Democrats has played in this debate. It is no secret that Senator Stott Despoja is currently in a leadership ballot with her leader, Senator Meg Lees. Over the next few weeks, I understand, the rank and file members of the Democrats will be voting to determine who the future Leader of the Australian Democrats will be. I have no idea as to what issues will be considered by the rank and file members of the Democrats in making their decision, but if
you read the newspapers, Mr Deputy Speaker, you would get the impression that Senator Lees has been criticised because of the dirty deal she did with the Prime Minister and the Treasurer to implement the GST package. It is no secret that some of Senator Stott Despoja’s supporters have been bagging Senator Lees and her supporters, like Senator Murray, for the deal that they did with the government on introducing the GST.

(Extension of time granted) I am sure there will be many of those rank and file Democrat members who oppose the deal that Senator Lees did with the government who will ask why Senator Stott Despoja has done a dirty deal with the minister for education, Dr David Kemp, in denying a research student representation on the Australian Research Council. If it is fair enough for one group of Democrats to bag Senator Lees for doing a deal with John Howard why won’t the same Democrats have a similar view of Senator Stott Despoja for the dirty deal that she has done with Senator David Kemp, selling out the rights of research students to representation on the Australian Research Council?

When you go through the Senate Hansard, it is very interesting to note some of the remarks that have been made by Senator Stott Despoja in this debate. I will quote a crucial paragraph of Senator Stott Despoja’s comments from yesterday’s Hansard. She said:

The core issues went to ministerial accountability, the capacity for the ARC to initiate its own inquiries and issues with the accreditation of institutions to receive funding in the research training scheme and the institutional grants scheme. That was very clear in their submission and in their evidence before that committee. The Democrats have a similar view and—now that we believe that these issues have been satisfactorily dealt with—we are not prepared to jeopardise the carriage of the bill by insisting on that particular amendment ...

Apparently, according to Senator Stott Despoja, representation of research students on the Australian Research Council, to use her words, is no longer a core issue. Senator Stott Despoja, the person who has made her name by demanding student representation on all sorts of government boards, has sold out and undermined the position that she has taken for years and years by doing this deal with David Kemp, by doing this dirty deal with the minister for education. We cannot understand why, of all the amendments the Democrats were prepared to give away, they gave away this crucial amendment that would have guaranteed research students representation on the Australian Research Council.

I do not know whether Senator Stott Despoja was forced to do this by other members of her caucus. Maybe Senator Stott Despoja has lost the numbers in the Democrat caucus and there was a vote in the caucus to force her to adopt a position that is completely at odds with every statement she has made on student representation in the past. I am sure there are going to be many rank and file Democrats who are probably very keen supporters of Senator Stott Despoja who will not understand why she has done the deal with David Kemp in the same way that many other Democrats supporters do not understand why Meg Lees did that deal with the Prime Minister to introduce the GST.

However, what really distressed me was the following statement by Senator Stott Despoja when senators were trying to work out whether or not there would be further debate and division on this particular amendment. Let me quote what Senator Stott Despoja said:

For the record, the Democrats will not insist on that original amendment. If the Labor Party choose to move that amendment or want to divide on that issue, they will not have Democrat support. So I think it will perhaps be a waste of Senate time to have a division, especially when I am quite happy to say on behalf of all my colleagues that that will be the case.

Having sold out to the government, Senator Stott Despoja wants to cover up her embarrassment by discouraging the Senate from even dividing on this sell-out. You would expect that from a Liberal. You would expect that from someone who might be trying to ram some legislation through. But the Democrats claim to be different. The Democrats claim to be the ones who are in favour of full and fair debate and allowing people to
outline their positions—nail their colours to the mast. Here we have Senator Stott Despoja trying to discourage a division on the very issue that she sold out on, on the very issue where she has given up an opportunity for the Labor Party and the Democrats to force the minister for education to have research student representation on the Australian Research Council.

On behalf of the Australian Labor Party, let me make it clear that we believe students and staff should be represented on important policy making bodies in education. We intend to establish an independent, cross-sectoral advisory body for a future Beazley Labor government. Students and staff will be represented on that and in other areas to ensure that the voices of students and staff, as well as vice-chancellors, researchers and other people, are heard. *(Time expired)*

**Dr Kemp** (Goldstein—Minister for Education, Training and Youth Affairs and Minister Assisting the Prime Minister for the Public Service) *(1.34 p.m.)*—Obviously Labor was going to do all of this in its 14th year in power. Labor had 13 years to put a student representative on the board of the ARC and it never lifted a finger to do it. It is very interesting to hear this address by the ineffectual shadow minister. In the first two-thirds of his contribution he spoke of the tremendous triumph of the ALP in getting its amendments accepted, which of course is wrong. In the other third, to the astonishment, I dare say, of listeners to this debate, he attacked the Democrats for the dirty deal they have done with the government to prevent the Labor Party from getting its amendments passed. This is the sort of nonsense we hear from this utterly ineffectual shadow minister, the member for Dobell, about whom the member for Werriwa, one of his colleagues, said outside the caucus room one day that he had never been known to have a single policy idea in all the time he had been in politics. One can see why the Labor Party garners no respect amongst the science community or in education: it has never had a policy idea.

The thing this shadow minister feels passionately about, the thing that stirs his emotions, is the prospect of representing student unions and education unions on boards so that they can support the Labor Party. The Labor Party’s focus, what all its emotional attention goes to, is promoting the power of the lobby groups that support it. That is what the Labor Party deeply resents about the Democrats standing up for the public interest.

Of course, there is nothing in this legislation that prevents the appointment of a student representative to the board of the ARC. There is nothing in this legislation that prevents the appointment of academics to the board of the ARC. But that is not what the Labor Party is concerned about. The Labor Party is concerned that its lobby group supporters will not be represented on the ARC as a matter of law. That is why the Labor Party expressed such fury in the Senate last night at the decision of the Democrats to support the government’s position on this legislation.

In the first two-thirds of the contribution of the member for Dobell we had this sort of confected and utterly false presentation that somehow or other the Labor Party was delighted that its amendments had been accepted. It was proud that its amendments had been accepted. Then in the last third we heard a vicious tirade against Senator Stott Despoja, which echoes the emotion, and to some extent the words, of the real shadow minister for education, Senator Carr, in the Senate last night. Anyone who heard the Senate debate last night will remember Senator Carr spitting chips as the Labor Party’s campaign of obstruction over this legislation ground to a halt. That really shows that no reliance can be placed on what the member for Dobell has said. I draw attention to the amendment that was passed by the Senate. It reads:

*(2) The Board may initiate an inquiry under paragraph (1)(b) only if:*

(a) the inquiry will not prejudice the performance of any or all of the ARC’s functions under section 6; and

*Time expired*
That has always been the government’s objective and intention, as I have stated before in debate on this bill. The board will make this decision. That again shows that what the member for Dobell has put before this House is quite wrong. He has dropped his own mask in this by his remarks about Senator Stott Despoja, and I am just sorry that relations between the Labor Party and the Democrats in the Senate appear to have broken down.

Mr LEE (Dobell) (1.39 p.m.)—The Minister for Education, Training and Youth Affairs seems to equate representation of students on the Australian Research Council or on other government advisory bodies with representation by student unions. The problem with this minister is that he has always believed that student representation must equal student union representation.

Because of this minister’s obsession with unions, whether it be student unions or the National Tertiary Education Union, representing academics, he is opposed to students or staff having any representation. Having a student on one of these boards does not mean that there will be student unions on the boards. Student unions and staff unions play a very important role in representing the interests of their members and they do not deserve the sort of continuous attack they get from this minister. That is the first point.

The second point is that the government claims that this is not a backdown. The minister claims that, because these amendments require the Australian Research Council to consult with him before they initiate their inquiries, in some way this is the same as the government’s original position. It is the reverse. This minister previously—on every occasion that this has come before the House—has insisted on a right of veto, on the right of stopping the Australian Research Council from initiating its own inquiries. That is what has been defeated by the pressure that the Labor Party, with the help of the Democrats, has placed on the government to have those amendments accepted.

So we are pleased that the minister, the Great Waldo Pepper, has executed so many serial backflips down the chamber that we have seen these amendments accepted. The point that we make is that while we are grateful that 80 per cent of our amendments have been successful, 20 per cent have failed because the Democrats have sold out. Twenty per cent have failed because this minister and Senator Natasha Stott Despoja have done a deal. When any Democrat in the chamber or any Democrat who is listening to this broadcast hears the minister for education, David Kemp, say he is pleased the Democrats have taken a responsible position, that is a warning bell to say that the Democrats have sold out to this government. When David Kemp says that he is pleased that Natasha Stott Despoja has taken a responsible position, that is the warning sign that David Kemp has done a deal and the result of that deal is that research students will not have representation on the Australian Research Council.

As for the minister’s claims that in some way the Labor Party has not released any positive alternative policies on education, let me remind him of the University of Australia Online, launched with great success in January and receiving enormous support from people in the bush, from women who are raising kids—

Dr Kemp interjecting—

Mr LEE—The minister for education laughs at the fact that the Labor Party is advocating a proposal that will expand access to people who live in rural and regional Australia to studying at university by using the—

Dr Kemp interjecting—

Mr LEE—The minister does not seem to understand what the University of Australia Online will do. When it is implemented, the minister will really know. We also had the announcement at our conference in July last year of our commitment to double the number of research fellowships, our educational priority zones, the teacher scholarships to get more of our best students to consider a voca-
tion in teaching, more funding for professional development for teachers, funding for the learning gateway to ensure kids at school can get access to advice from teachers online after hours, the abolition of the enrolment benchmark adjustment—

Mr DEPUTY SPEAKER (Mr Andrews)—Order! The member is drifting away a little from the subject.

Mr LEE—Frankly, Mr Deputy Speaker, the minister provoked me by saying that the Labor Party does not have any fresh ideas.

Mr DEPUTY SPEAKER—I remind the member not to be—

Mr LEE—I am listing them for him in detail. Mr Deputy Speaker, I can well understand that you are disturbed by any attempt of the minister to have this debate move away from research funding, so I will return to it. The point to make is that this minister has backed down today on 80 per cent of the Labor Party’s amendments, and we welcome it. As I said before, if the collective noun for backflips is a circus, we have seen a circus of backflips here in the chamber this afternoon—backflip after backflip after backflip as he came into the chamber and as he backed down on the amendments that the opposition has moved to improve the way the Australian Research Council will work.

The best thing about this is that we will have a more powerful, more independent Research Council allocating research funding to our best researchers. That is good for Australia, that is good for Australian researchers, and it is something that we are very proud we have achieved. We are just disappointed that, as much as we might think well of Senator Natasha Stott Despoja, she has not been prepared to hold out. She has done a dirty deal with the minister for education in the same way that her leader, Meg Lees, did a dirty deal with John Howard to implement the GST.

Question resolved in the affirmative.

AUSTRALIAN RESEARCH COUNCIL (CONSEQUENTIAL AND TRANSITIONAL PROVISIONS) BILL 2000

Consideration of Senate Message

Mr DEPUTY SPEAKER (Mr Andrews)—The following message from the Senate has been received:

The Senate returns to the House of Representatives the bill for an act to repeal or amend certain acts as a consequence of the enactment of the Australian Research Council Act 2000, and for other purposes, and acquaints the House that the Senate has considered message No. 647 of the House relating to the bill.

The Senate again insists on its amendments Nos 1 to 3 disagreed to by the House and has made an amendment in place of its amendment No. 4, as indicated by the annexed schedule.

The Senate desires the reconsideration of the bill by the House in respect of its amendments Nos 1 to 3 and requests the concurrence of the House in place of its amendment No. 4.

Ordered that the further amendment be taken into consideration forthwith.

Senate’s further amendment—

(1) Schedule 1, page 4 (after line 33), at the end of the Schedule, add:

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Note: See section 23
Institutions or bodies eligible for special research assistance

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That Senate amendments Nos 1 to 3 and the amendment made by the Senate in place of its amendment No. 4 be agreed to.

I am pleased to move that the House accept the Senate amendments to the Australian Research Council (Consequential and Transitional Provisions) Bill 2000. This bill puts in place the second plank of the government’s new higher education research and research training framework. It sets the legislative framework for the research training scheme and the institutional grants scheme and, in particular, puts in place strict eligibility criteria for access to block funding to support the research and research training efforts of our higher education institutions.

It has always been the government’s intention to tighten access to this funding. In Knowledge and Innovation, the government announced that universities—I stress ‘universities’—will be able to receive block funding under the Higher Education Funding Act 1988 if they are listed on the Australian qualifications framework registers and submit an approved research and research training management plan. These criteria have been further strengthened by the inclusion of a schedule of eligible institutions, which I am now pleased to say lists all institutions that, at this point in time, would have satisfied the original criteria. Of course, this schedule differs from that which the Australian Labor Party wanted to put in place. It includes institutions such as Bond University and the Melbourne College of Divinity. These arrangements will ensure that the additional funding of $583 million over the next five years, announced in backing Australia’s ability to support university research infrastructure, will only be distributed to those institutions that will provide a high quality research and research training environment. I commend the motion to the House.

Mr LEE (Dobell) (1.47 p.m.)—With the amendments before the House, this time the minister did not say that he was delighted to move them, but he has again sought to cover up the fact that this is another backflip in the circus of backflips that we are seeing this afternoon. A few days ago when the same
proposal was before the House, the minister said:

The additional requirement to be listed on a schedule may result in unwarranted delays in the access of institutions who are recognised research and training organisations to receive Commonwealth funding to support these activities.

There are many other quotes where the minister was adamant that there was no way in the world that he would agree to these amendments. What are the amendments about? From day one the Labor Party has raised the concern that the government appeared to be allowing for the possibility of organisations that are not universities having access to this pool of research funds. We are concerned about that because the public research carried out in our universities has been under pressure in recent times. We have had a decline in the public research effort at our universities because of the billion dollar cuts that the Minister for Education, Training and Youth Affairs, David Kemp, has presided over. Those massive cuts have resulted in enormous financial pressure on our public universities. There is evidence of the damage that that has done to the great research effort that takes place in our universities across the country.

Mr Deputy Speaker, I am sure that you are well aware of the good work carried out at the Southern Cross University in northern New South Wales. There is a lot of good work carried out at Southern Cross University in molecular biology, and some of the agricultural research is world class. Australia is one of the world’s largest rice exporters. Scientists are now mapping the rice genome so that future research into rice can be accelerated by using the information that will flow from the mapping of the rice genome. Just as many companies and research institutes are mapping the human genome so that they can get patents in the future and presumably make a lot of money out of developing new pharmaceutical products, the people who map the rice genome will have the intellectual property that will control and earn money from future developments into genetically engineered rice. One would expect that, as one of the world’s largest rice producers, Australia would be very determined and very concerned to ensure that we had a seat at the table in the mapping of the rice genome.

We do not. The rice genome is currently being mapped by the Americans, the Japanese and the Europeans. One of the reasons why we do not have the money to have Australia’s best researchers participating in the mapping of the rice genome is the billion dollar cuts that this government has made to our public universities. They are the sorts of things we have lost because of the cuts that the government has made.

It is good that earlier this year the Prime Minister put back some of the money which the government had taken from our universities. It is good to see that the government, having cut $5 billion over the last five years in government assistance for public and private research, is putting $3 billion back, although it will not flow for up to five years. Our concern is that at least five years have been lost when Australian researchers could have been doing so much more if they had not lost all that money, if they had not lost that $5 billion. Areas such as the mapping of the rice genome could have been funded by the ARC if the government had not cut that back.

This amendment is about ensuring that private companies cannot siphon off some of the scarce resources that are currently going into our public universities. We have used the examples of BHP or Telstra. No doubt they would do good work if they got access to some of this pool of research funds. Our public universities are stretched so tightly that we do not believe it would have been right to allow the minister to have legislation carried that opened up the possibility of private corporations accessing this pool of money. Sure, if you want to give private Australian corporations extra research incentives, do that, but do not take dollars away from public universities to invest more in private research. (Extension of time granted) If you want to offer new incentives to encourage private companies to carry out research in Australia, that is a good thing,
but fund that through new investment in research; do not fund it by taking money off our public universities. It is for that reason that we were insistent that this amendment be carried. We do welcome the fact that the government has agreed to back down on this amendment.

I do concede that the minister’s staff and his department have said all along that it was not their intention that BHP, Telstra and other companies should access the pool, but it disturbed us greatly that the minister was allowing the possibility for that to happen through the loopholes that were deliberately placed in the legislation. I am afraid to say that past experience with this minister has meant that we do not take him at his word. If a loophole is deliberately left in legislation to allow private companies to access the scarce pool of funds for universities, we assume this minister is going to try to allow that diversion to take place, which was why we insisted on maintaining the current status quo. The minister does not seem to accept that point. So, once again, we have the minister trying to say that black is white and that he has not done a backflip; he is just accepting the Labor Party’s amendments that close off that loophole and ensure that our public universities get access to those funds.

This is a step forward. We have closed that off. Once again, it is to the credit of the Labor Party. I am quite happy to acknowledge the Democrats’ support with the Labor Party in considering this amendment in the past has worked to our advantage and to the community’s advantage by ensuring that our public universities have access to those funds.

The greater concern is that, despite the government’s claims that its recent innovation statement will address the serious decline in Australia’s research effort, it goes nowhere near achieving that. First of all, we have the position where the government, having taken $5 billion out of encouraging research in Australia, having taken $5 billion out of incentives for private R&D and having taken $5 billion in total out of investing in our universities, is only putting back $3 billion.

Day after day the minister comes into the chamber and claims that the government has maintained its investment in public universities. The truth is that, as HECS costs have doubled for students, the government has cut back massively on its own investment in higher education. Until this week, this used to be displayed in a report that the government produced each year on federal funding for higher education. This report has been rewritten this year to hide the fact that the Commonwealth’s own purpose investment in higher education is declining at a very rapid rate. To cover up the minister’s embarrassment, it now combines the Commonwealth’s own investment with the HECS fees that are paid by students. It used to be shown separately in past years, but this year it is combined to cover up the embarrassment that has been caused by the massive cuts this government has made in funding for higher education. As I said before, those cuts in higher education have forced universities to cut back their expenditure on the public research effort in areas like the mapping of the rice genome, the example I gave before.

On top of that, the changes that the government made to the R&D incentives—the tax concessions for private companies—in the 1996 budget have seen a massive decline in private R&D. In Australia we have seen a decline for the last three years in private R&D expenditure. That is the first time it has ever shown up. I am sure there are many people in the gallery who either know a researcher or perhaps are the father or the mother of a research student—someone who is perhaps working on research in medicine or trying to improve the way we manufacture goods or the way we process minerals. Investing in research is crucial to the future of Australia and yet for the last three years we have seen a decline in private expenditure on research—a decline in investing in the future of our country and a decline in investing in the opportunities that are there for Australia’s young researchers. Is it any wonder that through the brain drain we are losing so many? (Extension of time granted)
The point to make is that this minister has presided over a massive cut in funding for our public universities. That has affected the public research effort. The Treasurer presided over a massive cut in the tax concessions for companies carrying out research and development. When you add those two together, this Prime Minister, who is walking into the chamber, is the man responsible for that decline in the total public and private research effort. While the Prime Minister gives himself a pat on the back for putting $2.9 million back into the national research effort in January, he owes us an apology for the $5 billion he took out of the national research effort in the last five years. This Prime Minister is the man responsible for those five lost years—the five lost years when Australia could have been researching that rice genome, when we could have had a seat at the table ensuring that we would own some of the intellectual property behind the future improvement in rice. As one of the world’s largest exporters of rice, we should not have to pay the Americans, the Japanese and the Europeans for that intellectual property. Australia should be big enough, and Australia’s interests are important enough, for this government to have ensured there were enough research funds to ensure Australia was one of those participants.

It is those cuts in the public research effort and in the private R&D effort that are going to make it so much more difficult for Australia to retain the best researchers that we have got—those people who have so much to offer, those people working at Australian universities, often for less money than they get in other countries; those people who in many ways are the hope of the side, and in many ways are the people who offer so much. To my colleagues who have now joined me in the chamber I say that we have discussed in this debate previously that if the collective noun for ‘backflips’ is a circus, this government has executed a circus of backflips, and the Great Waldo Pepper, with the red nose, painted cheeks and funny collar, is the minister for education, the member for Goldstein, with his numerous backflips on his position on the Australian Research Council.

Question resolved in the affirmative

MINISTERIAL ARRANGEMENTS

Mr HOWARD (Bennelong—Prime Minister) (2:00 p.m.)—I inform the House that the Minister for Agriculture, Fisheries and Forestry will be absent from question time today as he is chairing a meeting of the Agriculture and Resource Management Council of Australia and New Zealand in New Zealand. The Minister for Forestry and Conservation will answer questions on his behalf.

QUESTIONS WITHOUT NOTICE

Economy: Policy

Mr BEAZLEY (2:00 p.m.)—My question is to the Prime Minister. I refer to the fact that, while he always takes the credit for good news, he always finds someone else to blame for the bad. In the last few months, Prime Minister, have you not pointed the finger at the US economy, the Treasury, the Reserve Bank, OPEC and the Taxation Office? And back in 1982-83 didn’t you blame the Treasury for getting the budget wrong, didn’t you blame Ronald Reagan for high interest rates and didn’t you blame Malcolm Fraser for everything?

Mr SPEAKER—The Leader of the Opposition will come to his question.

Mr BEAZLEY—Prime Minister, instead of blaming everyone else, when are you going to accept responsibility for your mistakes?

Mr HOWARD—For a man who continues to deny responsibility for racking up $85 billion of government debt, that is a remarkable question.

Honourable members interjecting—

Mr SPEAKER—The Prime Minister is not being assisted by members on my right or my left.

Mr HOWARD—I remember the accumulation of mistakes and errors made by the former government, of which the now Leader of the Opposition was a senior member, and at no stage, at no time, did he or his former leader ever go near to acknowledging
that they might have some responsibility. I have never heard an apology from him about the ‘recession we had to have’. I never heard an apology from him or his then leader about that.

The basis of the question asked by the Leader of the Opposition is wrong. The circumstances which have induced the negative economic growth in the December quarter have been outlined by the Treasurer, and the Treasurer has pointed to a number of factors, including both domestic and overseas ones. If we are to have an intelligent debate, instead of an exercise in negative talking down of the Australian economy—in which the Leader of the Opposition specialises—we have to acknowledge that the reasons for the contraction in the December quarter are both domestic and overseas, and they have been well outlined by the Treasurer and me both yesterday and today.

I take the opportunity to make a very important point to those who are interested in intelligent discussion about the state of the Australian economy, as distinct from the pure political rhetoric indulged in by the Leader of the Opposition, and that is that one quarter of negative economic growth does not mean that the Australian economy has hit the wall, it does not mean that the Australian economy is in recession and it certainly does not wipe out five years of growth and strength and progress. It does not alter the fact that the unemployment rate now is at least two per cent lower than it was when we came to office. It does not alter the fact that we now have a historically low rate of inflation. It does not alter the fact that the average home buyer in Australia is $270 a month better off than he or she was in March 1996. It does not alter the fact that last October the unemployment rate in relation to women in the Australian work force reached a record low. It does not alter all of those achievements and all of those things of which this government is entitled to be very proud. Yes, we had a bad quarter. The important thing is to make sure that in our responses to that we inspire and encourage confidence and we do not, as the Leader of the Opposition always does, talk down the Australian economy, to the great detriment of the Australian people.

Small Business: Trade Practices Legislation

Mr BAIRD (2.05 p.m.)—My question is addressed to the Prime Minister. Is the Prime Minister aware of disadvantages experienced by small firms under the Trade Practices Act compared with larger corporations? If so, what steps are being taken by the government to address these disadvantages, and what has been the response of others to the government’s actions?

Mr HOWARD—I thank the honourable member for Cook for his question. I am not surprised that a member who chaired a committee of this House which produced the report into the retail sector entitled Fair market or market failure should be interested in the future of small businesses, particularly but not only in the retail sector. Small businesses are at a disadvantage under the trade practices legislation because they lack the economic clout and power to take action in their own name when they are at the butt end of unfair treatment and unfair failure. Because of that, the government proposed an amendment to the Trade Practices Act which would enable the ACCC to undertake representative actions under part IV of the act.

This proposal, I am pleased to say, drew the support of all of the premiers of Australia. The Treasurer wrote to the various premiers of Australia and, across the political divide, they wrote back and they said, ‘Yes, this is a very good idea,’ including the Labor Premier of New South Wales and the Labor Premier of Queensland. But, unfortunately, I understand that it is subject to an amendment in the Senate. That amendment has been sponsored by the Australian Labor Party, and it seeks to take out of the reach of this amendment any reference to secondary boycotts. This could be called the union escape clause. As the person who was originally responsible for introducing section 45D into the Trade Practices Act, I want to say on behalf of the government that this attitude being taken by the Labor Party is just another exercise in protecting their union mates. We
will persevere with the amendment. We think small firms are entitled to have the economic protection—

Mr Tanner interjecting—

Mr SPEAKER—If the member for Melbourne wants to have a conversation, he can do so somewhere else.

Mr HOWARD—of the ACCC, who can take representative action on their behalf. The big end of town, the large companies, can afford the litigation involved in standing up to union secondary boycotts. Small firms cannot. We want to redress that imbalance—we want to give the small firms the same opportunity as the big firms. The only way you can do that is to allow the ACCC to stand in their place, and the Labor Party is against it. The Labor Party is against it because the unions are against it. It is another reminder to the small business community of Australia and another reminder to the Australian community that Labor is still controlled by the union movement. No amount of political rhetoric will alter that reality. When it comes to a choice between union power and the protection of small business, Labor always will choose union power.

Fuel Excise

Mr CREAN (2.09 p.m.)—My question is to the Prime Minister. Are you aware that your announcement of a 1.5c cut to fuel excise has been completely negated by this week’s fall in the Australian dollar? Is this what the Treasurer meant in January 1996 when he said:

... a falling Australian dollar reduces living standards ... with each fall of the Australian dollar, Australians have to work longer and harder.

Prime Minister, hasn’t your economic mismanagement wiped out any benefit that Australian motorists might have got from your excise reduction?

Mr HOWARD—No, he is not? Oh, well. Of course he is not. If he were presenting himself as a serious participant in, or commentator on, economic debate in this country, he would understand that under a floating exchange rate, by definition, the value of the currency will vary from time to time. People who opportunistically seize on the level of the currency—

Mr Crean—Mr Speaker, I raise a point of order on relevance—

Mr SPEAKER—The Deputy Leader of the Opposition will resume his seat. The Prime Minister has the call.

Mr HOWARD—It does not add anything to intelligent debate for the Deputy Leader of the Opposition to opportunistically seize upon a particular level of the Australian dollar, and in his question the Deputy Leader of the Opposition referred to the current level of the Australian dollar. Under a floating exchange rate regime, in case he does not know, the value of the dollar will vary from time to time. The Deputy Leader of the Opposition does his own reputation in the Australian community no service at all—and I am feeling in a charitable mood towards the Deputy Leader of the Opposition. I would not want the Deputy Leader of the Opposition to hold himself out as being anything other than a serious participant in the economic debate.

You know very well that this country has been well served over the last few years by having a floating exchange rate. In fact, the floating exchange rate that Australia had in 1997 and 1998 was one of the reasons why this country was able to ride out the negative effects of the Asian economic downturn. I would have thought that those who sit opposite would support the maintenance of an exchange rate regime that enables this country’s economy to adjust to changing economic circumstances. I do not think it does our country any service or your reputation any service to engage in such an opportunistic piece of political point scoring.

Women: Government Policies

FRAN BAILEY (2.12 p.m.)—I address my question to the Prime Minister. As mem-
members of this House would be aware, today is International Women’s Day. I ask the Prime Minister: would you advise the House what benefits the coalition government has provided for all Australian women?

Mrs Irwin interjecting—

Mr SPEAKER—I will recognise the Prime Minister when the member for Fowler exercises towards him the courtesy of allowing him to be heard.

Mr HOWARD—I thank the member for McEwen for her question. Can I say to the member for McEwen and all members that a significant number of benefits have accrued to all Australian women as a result of the policies of this government. I mentioned in answer to an earlier question that last October women’s unemployment fell to a level of 5.9 per cent—it is currently 6.2 per cent—and that was the lowest rate in decades. A total of 65.7 per cent of working age women—that is, aged between 15 and 64—were in the labour force in January 2001, one of the highest participation rates on record.

The $24 million Return to Work Program assists parents and carers, most of whom are women, returning to the work force after a period of two years or more. To date there have been 2,741 commencements in that program. That particular program was an initiative of the coalition government. Women students, as my colleague the Minister for Education, Training and Youth Affairs will know, make up 58 per cent of students commencing an undergraduate degree at university. The proportion of women in postgraduate studies increased from 43.5 per cent in 1996 to 52.7 per cent in 1999. That represents an expansion of opportunities, particularly for younger woman.

In the area of parental choice, the family tax initiatives of the coalition, including the initial part of $1 billion in 1996 and the subsequent benefits under the new tax package, have greatly expanded the choices available to both men and women in relation to the caring arrangements they make for their young children.

I am pleased to say that the number of women holding positions on Commonwealth boards and bodies is at a record high of 32.2 per cent. I might observe, though, it is still short of what is a desirable figure. In 2001, 24.5 per cent of Commonwealth parliamentarians are women, an increase from 14 per cent in 1995 and almost double, I might I say, the international average. Credit should be given to all of the political parties of Australia that have greatly expanded the opportunities for women to participate in parliament.

I am also particularly pleased to note on this International Women’s Day the advances that have been made in child care under this government. The government’s strong commitment to child care is demonstrated by the allocation of a record $5.6 billion

Ms Macklin interjecting—

Mr HOWARD—I repeat, in case the member for Jagajaga did not hear: an allocation of $5.6 billion over four years, including $900 million in additional funding for a simpler and more generous child-care benefit—a total of more than $4 billion in the last four years and that is over 30 per cent more than in Labor’s last four years in office. Significantly, in September the ABS figures which analyse various costs in the Australian community showed that child-care costs for families following the introduction of the new tax system had dropped by 15 per cent since 1 July 2000. In other words, the introduction of the new tax system has reduced dramatically the cost of child care for Australian families. This is of enormous satisfaction and pleasure to most men and women.

On a broader level, I am also very pleased to note that the national agreement on firearms, concluded in the early months of this government’s term of office, has not only created a safer Australian community, it has created a safer Australia, for Australian women in particular.

This government remains strongly committed to policies that expand opportunity and choice for both men and women in the Australian community. But it is important, on this International Women’s Day, to in particular mark the contribution of the gov-
ernment’s policies to expanding opportunity and choice for Australian women.

Goods and Services Tax: Small Business

Mr JENKINS (2.18 p.m.)—My question is directed to the Treasurer. Treasurer, do you stand by your claim that no business would go to the wall as a result of the GST? If so, what do you say to the publisher of the Nillumbik Mail, who announced on yesterday’s front page, next to a photo of the honourable member for McEwen, that the paper will be closing down because of:

... the GST and the subsequent downturn in the economy.

Is the closure of small businesses like the Nillumbik Mail just another one-off effect of the GST?

Mr COSTELLO—As it happens, I have not seen the front page of the Nillumbik Gazette.

Opposition members—Mail!

Mr COSTELLO—Nor have I seen the front page of the Nillumbik Mail, so obviously I cannot comment on the story. I might say that, if this were a genuine question from the opposition, no doubt the honourable member would have shown it to me—if he really wanted an answer to the question. But the Nillumbik Mail ought to know that he did not, because he was more interested, I take it, in making a political statement on the basis of it. The tax changes put in place on 1 July 2000 abolished wholesale sales tax—which, of course, was a tax on printing—replaced the wholesale sales tax with a goods and services tax on a broader base at a lower rate and they reduced income taxes so that people have more money in their pockets to spend. Let us not forget that the Labor Party opposed the cutting of income taxes and claimed that you could not cut income taxes because it would be too expansionary to fiscal policy. For small business, we then reduced the company tax rate, we introduced capital gains tax rollover so that if they were to retire they could do so while rolling over their assets for retirement, and we cut capital gains tax in half for individuals. When all of those measures are put together, the changes to the Australian taxation system were overwhelmingly positive and were overwhelmingly in favour of economic growth, because they cut the overall tax burden by about $6 billion. That was why the Labor Party said in 2000 that they were against the tax changes. This stuff about how the GST is supposed to have dampened demand is a complete, recent invention. The Labor Party’s attack was always that it was too expansionary. The Labor Party got that wrong as they have got the other calls in relation to taxation reform wrong. Those changes, on the whole, have been good, and will be good, for the Australian economy and that will apply to all of those businesses.

Mr Jenkins—Mr Speaker—

Mr Crean—It is really good for the small business out of business? Don’t you stand by the claim?

Mr SPEAKER—The Deputy Leader of the Opposition, the member for Scullin has the call!

Mr Jenkins—I seek leave to table the extract from the Nillumbik Mail.

Leave granted.

Goods and Services Tax: Base

Ms JULIE BISHOP (2.21 p.m.)—My question is addressed to the Treasurer. Will the Treasurer advise the House of any plans to alter the base of the goods and services tax? Has the Treasurer seen any comments about the viability of those plans?

Mr COSTELLO—I was very intrigued to see the Labor Party change their tune yesterday. For the last year or so the Labor Party have been claiming that the government’s tax cuts were too expansionary. They were claiming last year that, because they were so expansionary—this was the claim from the Leader of the Opposition—they were leading to interest rate rises. That was the Labor Party’s claim—that they were leading to interest rate rises. Yesterday, after having done a 180-degree turn, he adopted a completely mutually inconsistent position. Yesterday, of course, the Leader of the Opposition was claiming that the GST had not been overheating the Australian economy but it had been dampening the Australian economy.
If the Labor Party genuinely believed that the GST was dampening the economy, you would have expected that, last night, when they were asked what they would do about the Australian economy, they would have pledged to repeal it. If the Labor Party genuinely believed that the goods and services tax were a negative dampener on the Australian economy—assuming they are opposed to a dampener on the economy—you would have thought that last night they would have pledged to repeal it. That has always been the Labor Party’s policy. In fact, Kim Beazley, the Leader of the Opposition, said this on 23 February 2000:

... people are entitled to know where the Labor Party stands on the GST and the direction in which we’re going.

We would say: that’s for sure, isn’t it?

... people are entitled to know where the Labor Party stands on the GST and the direction in which we’re going.

He went on to say:

They’re also entitled to know exactly what we’d do in the next term of government with a GST ...

... ... ...

People are entitled to know it and not be deceived.

That is what the Leader of the Opposition said on 23 February 2000. Last night, on the 7.30 Report, the Deputy Leader of the Opposition was asked to name one area where the Labor Party will roll back GST—one good, one service. He was asked it not only once, he was asked it twice: name one good or one service where the Labor Party is going to roll back GST. You should have seen him. He was like a gold fish. He was sitting there going like this. He cannot name one good; he cannot name one service. ‘The GST is responsible for dampening the economy and now we intend to keep it in full.’

Mr Tanner—Speak louder! We can’t hear you!

Mr COSTELLO—After five years the Labor Party is still to announce an economic policy.

Mr Rudd—Mr Speaker, I rise on a point of order. I am fearful that I do not have a standing order, but the Treasurer represents an occupational health and safety hazard.

Mr SPEAKER—The member for Griffith will resume his seat, and is warned. The Treasurer has the call; his answer is in order.

Mr COSTELLO—We would say that the Leader of the Opposition was right when he said that people are entitled to not be deceived, and the whole of Australia waits to find out which good, which service, how much money and, most particularly, how much income taxes are going to be raised under the Labor Party. Make no mistake about this: when the Labor Party talks about rolling back GST, the Labor Party talks about rolling up income tax. The reason they will not name the roll-back is that they do not want Australia to find out how much income taxes are going up under Labor.

Mr Beazley—No rises under Labor.

Mr COSTELLO—Ah! Shh! A moment of epiphany: the statement of a policy. Just so that it gets into the Hansard—we just had a policy uttered by the Leader of the Opposition. He says now, ‘No rises under Labor.’ Where have we heard that kind of language before? 1993? Perhaps you would like to put your no rises into—

Government members—L-a-w!

Mr COSTELLO—We would love to see no rises in l-a-w. The last time the Labor Party made a promise like that, they put it into l-a-w, they ran off to an election, they abolished the income tax cuts and they increased wholesale sales tax. The Labor Party claimed in February that they would not deceive the Australian people—they cannot name one good or one service. Poor old Mr Della Bosca, headless, wanders the streets of Sydney because he suggested that the Labor Party give up this roll-back. You have Con Sciacca out there taking questions on Brisbane radio about the roll-back of the GST. When he was asked, ‘Are you going to wind back the GST?’ Mr Sciacca answered:

We have said that we will try to make it fairer and we will try to make it simple. It is impossible to wind back the GST. I mean, if we did that you’d be crazy.
I mean: ‘If you did that, you’d be crazy.’ We have the headless Della Bosca, the headless Sciacca and the Leader of the Opposition who wants to talk about roll-back, but he will not tell the Australian public the truth—and he ought to.

**Ryan Electorate: By-election**

**Mr BEAZLEY** (2.28 p.m.)—My question is to the Prime Minister. Prime Minister, isn’t it a fact that you caused the Ryan by-election by insisting on John Moore’s resignation even though he offered to remain Minister for Defence until the next election? Didn’t this decision by you cost taxpayers approximately $½ million, money which could have been spent in Ryan on 15 nursing home beds for a year, 50 community care places for a year, five additional classrooms, 10 additional special education teachers, 330 computers—

**Mr Andrews**—Mr Speaker, I rise on a point of order. As in the Leader of the Opposition’s first question today, he is using the occasion quite inappropriately to engage in argument. I ask you to ask him to phrase his questions in the appropriate manner, which he well knows how to do.

**Mr SPEAKER**—As everyone in the House is aware, at the end of the last sitting year I said something about rhetorical questions. The member for Menzies is quite right, the first question did contain more argument than could reasonably be tolerated, and I ask the Leader of the Opposition to come to his question.

**Mr BEAZLEY**—Prime Minister, why didn’t you avoid this cost and inconvenience for 80,000 Queenslanders by putting your own political self-interest last?

**Mr HOWARD**—While the point of order was being made, in the time available, I could only write down three—I could write down Holt, I could write down Blaxland and I could think, in relation to the period when the honourable gentleman was the Deputy Prime Minister of Australia, of Canberra and, stretching my mind back, to Adelaide. The circumstances surrounding the resignation of the former defence minister are well known. I think the new defence minister is shaping up very well, particularly on submarines.

**Interest Rates: Rural and Regional Australia**

**Mrs HULL** (2.31 p.m.)—My question is addressed to the Deputy Prime Minister and Minister for Transport and Regional Services. Will the Deputy Prime Minister advise the House of the benefits to the farm sector and other export industries in my electorate of Riverina, and rural and regional Australia, of yesterday’s Reserve Bank announcement regarding interest rates?

**Mr ANDERSON**—I thank the honourable member for her question and acknowledge her very real interest in these matters. I was talking to the member for McEwen a moment ago and she reminded me to acknowledge the presence in the gallery of a significant number of women in agriculture, from Australian Women in Agriculture, who are here with us in Canberra for a couple of days.

**Honourable members**—Hear, hear!

**Mr ANDERSON**—I had the pleasure of joining them yesterday for the launch of Professor Margaret Alston’s book *Breaking the Glass Ceiling*, which is all about recognising the contribution women can make in agri-political circles in this country, and progress is being made there but there is still more to make. They and their families will be very much aware of the importance of lower interest rates to the wellbeing of rural and regional Australia and yesterday’s reductions will be universally welcomed. They will bolster the new and emerging better prospects for agriculture in Australia. Whilst I do not in any way seek to be trite about some of those industries—and some areas such as the New South Wales and Queensland dairy industries are doing it tough—I think it is fair and only appropriate that we point to the better terms of trade that are now clearly emerging for many of our great agricultural industries. It has taken a long time to happen but we are now clearly looking at a situation where prices are rising faster than costs. In that circumstance, it is important that we never forget—as the member for New Eng-
land, I think, so succinctly put it—particularly those involved in small business or in agriculture, the damage Labor’s interest rate policies did. We should never forget it.

In relation to the farm sector, the commonly used rule of thumb is that every one per cent reduction in interest rates represents a saving of around $300 million to the farm sector in this country. When you think about the reduction in interest rates from the 21 or 22 per cent—indeed, I know of some who were paying as high as 28 per cent from the pastoral houses—10 or 11 years ago to today’s rates of eight, nine, 10 per cent, depending on your margin and so forth, it is obviously huge. It is obviously incredibly important to the rural sector in this country capturing those better terms of trade and really picking up their position.

We are now approaching the winter crop sowing period. It is a very expensive time in much of rural and regional Australia. Certainly, I know in my own area, and in Western Australia, a lot of farmers will be throwing everything at it seeking to recover from very tough seasonal circumstances—floods in northern New South Wales and southern Queensland, and drought in Western Australia. They will be seeking to maximise their borrowing limits in order to do all they can to recover, and those lower interest rates will be of very great importance to them. I was talking to a farmer the other day and when I was saying that we had done a lot to lower interest rates he said, ‘You know, I think it has a lot to do with global trends.’

It is worth remembering that at the time Labor had our farmers paying up to 21 per cent and 22 per cent interest rates in this country. American farmers—you know, we are engaged in a battle to death with them in a lot of export markets—were paying eight per cent for their money. The situation under a coalition government is that our interest rates have been at or in some cases even below American interest rates. A farmer in my electorate was having a bit of a go at me the other day—occasionally it happens that they have a bit of a go at the coalition—about fertiliser prices and I was saying that there was not a lot that I could do about it. His mate said to me, ‘I don’t know; if you can’t do something about this, I might have to vote Labor.’ All I had to say was, ‘Remember what they did to interest rates and remember that a Labor government at the moment would put Simon Crean back in control of interest rates,’ and you know what? He backed away at a million miles an hour.

DISTINGUISHED VISITORS

Mr Speaker—I inform the House that we have present in the gallery this afternoon members of a parliamentary delegation from Saskatchewan, Canada. On behalf of all members of the House, I not only welcome our visitors but also thank them for their preparedness to change their program and stay on a little longer in the House of Representatives than was originally intended. We are pleased to have you with us this afternoon.

Honourable members—Hear, hear!

QUESTIONS WITHOUT NOTICE

Aged Care: Places

Mr Ripoll (2.36 p.m.)—My question without notice is to the Minister for Aged Care. Minister, can you confirm that in 1998-99 older people in Brisbane had to wait an average of 97 days to find an aged care bed—longer than anywhere else in the country? Can you also confirm that, despite a dramatic increase in waiting times, Brisbane received just two nursing home beds in your 2000 allocation round? Minister, why won’t you release the latest figures on waiting times? Aren’t the people of Ryan entitled to know whether there is even more bad news for older Australians unable to get the care they desperately need?

Mrs Bronwyn Bishop—The fact of the matter is that this government has put more places, more money and better aged care into the whole of Australia, including Brisbane and the whole of Queensland, than the Labor Party ever did in 13 years of government. When we took over, the Auditor-General did an audit and found that the Labor Party had left 10,000 places short because they had made cutbacks. In the last two years I have allocated 22,000 places. Indeed, we have increased funding since
coming to office by $1.4 billion in order that we can have more places, better care and more money in the system.

The reality is that we have a ratio, which was set by the former Labor Party government, of 100 places per 1,000 people aged 70 and above. After the last allocation of places, we in fact exceed that in Queensland with well over the hundred, so that as they are brought on stream we have a shorter and shorter period of time, which is called the entry period. Let me explain why it is called an entry period. Where there is an emergency, the average time for entry for an emergency is 48 hours. Where we have used respite, where we have used extra resources to allow people to have services at home, those people are able to make a choice as to which aged care home they may wish to enter. Part of our reform process was to combine what were called nursing homes and hostels and they are now all called aged care homes. Someone who is in low level care can indeed spend high level care years in that same bed. It is called Ageing in Place, and it is a very compassionate program designed to stop people having to be unnecessarily moved and so that they can remain with their husband or wife as a matter of compassion.

The question that was asked was a very facile one indeed. It was one designed to cover up for Labor’s negligence when they were the government. The reforms we have put in place have resulted in more beds, more money and better aged care.

Interest Rates: Small Business

Mrs MAY (2.40 p.m.)—My question is addressed to the Minister for Small Business. Would the minister inform the House of the benefits to small business following yesterday’s cut in official interest rates?

Mr IAN MACFARLANE—I thank the member for McPherson. I know she takes a keen interest in small business in her electorate. Yesterday’s interest rate cut of 0.25 per cent, coming on top of the 0.5 per cent cut we saw in February, is clear evidence that this government’s sound economic policy is delivering low interest rates and low inflation.

Opposition members interjecting—

Mr IAN MACFARLANE—They have a little laugh on the other side, so let us go back to when they were in power. Let us go back to 1996, when interest rates were 11.25 per cent, compared with the 8.45 per cent they are now. Those opposite may not be interested, but I can assure you, Mr Speaker, that small business is interested. For a small business with an overdraft or loan of around $100,000, this represents a saving of $2,800 per annum, or about $233 a month. That is in small businesses’ pockets. Let us go back a bit further to the 1980s and early 1990s.

Mr Ripoll interjecting—

Mr SPEAKER—The member for Oxley is warned!

Mr IAN MACFARLANE—I note that the Deputy Prime Minister was talking about higher interest rates for farmers. I was a farmer in the late 1980s and early 1990s, and I remember vividly the devastating effect of 22 per cent interest rates. Let us compare that period with now. If you compare the 20.5 per cent rate that was prevalent in the late 1980s with the 8.45 per cent rate for a business or farm with $100,000 debt, today’s rate represents a saving of $12,000 a year—$1,000 a month. This government is benefiting small business. That is in complete contrast with those who sit opposite, because the Labor Party represents high interest rates, high inflation and high taxes. Small businesses know that. They know that the Labor Party is bad for small business.

Ryan Electorate: Effect of GST on Brookfield Show

Mr RUDD (2.43 p.m.)—My question is to the Prime Minister. Is the Prime Minister aware that, based on advice of the ATO, the Brookfield Show Society, located in the federal division of Ryan, will be forced to charge all entrants to individual events at this year’s Brookfield Show a full 10 per cent GST—including entrants to the children’s painting, needlework, craft work, home baking and pony riding competitions? Is the Prime Minister also aware that entrants to show competitions, including schoolchildren and preschoolers, will be required to sign a
legal declaration that they are hobbyists and not professionals, in order to escape payment of the GST on any prizes they happen to win? Prime Minister, isn’t it just un-Australian to threaten preschoolers with the GST on prizes they might win at the show?

Honourable members interjecting—

Mr SPEAKER—I will recognise the Prime Minister when the member for Eden-Monaro and members on my left exercise the courtesy that ought reasonably be extended to everyone in the House. I call the Prime Minister.

Mr HOWARD—I imagine that the member for Griffith would not demand that I have such an encyclopaedic capacity that I carry around every one of those details in my head. I will check what he had to say. But it raises a very interesting proposition which I know has the interest and attention of those who sit behind me, and I guess also those who sit opposite and the people of Ryan, which is: are you going to roll that back?

Defence: White Paper

Mrs VALE (2.45 p.m.)—My question is addressed to the Minister for Defence. Will the minister inform the House of the priorities set out within the defence white paper relating to coastal defence?

Mr Sidebottom interjecting—

Mr SPEAKER—The member for Brad- don is warned! The member for Hughes will recommence her question.

Mrs VALE—Thank you, Mr Speaker. My question is addressed to the Minister for Defence. Will the minister inform the House of the priorities set out within the defence white paper relating to coastal defence? What proposals exist that would affect the government’s priorities?

Mr REITH—I genuinely thank the mem- ber for Hughes for her question. She is a great supporter of the Australian Defence Force. I know she works very hard for it in her electorate. The question asked is a very important question which goes to the heart of the future of the Australian Defence Force. The white paper that was announced before Christmas is the most comprehensive docu-
their two free subs by reordering priorities so that other projects within Defence would have been cancelled. So the question for today is, and the question for the last two weeks has been: what are you going to do? Are you going to cancel defence projects which you have publicly said you will support or will you in fact find the money elsewhere? After two weeks, we finally have a response from the Labor Party on a fairly simple but significant question. This is a response three paragraphs long, but longer in its impact on the Defence Force. This is in today’s West Australian. It says:

The federal opposition says that it will cut funding on other defence items to pay for two submarines worth more than $1 billion rather than boost defence spending.

Defence minister Reith has challenged opposition leader, Kim Beazley, to say how he intended to pay for what Mr Reith called free subs and other defence promises.

A spokesman for Mr Beazley said it was planned to buy the vessels out of the global defence budget. Funding for other items would be cut. We want to know where the Labor Party are going to cut into the priorities which, like the hypocrites they are, they have been telling the Australian public they support. They have been going around the country saying that the defence white paper is so good that it is the Labor Party’s policy and that they will enact it. Now, in the dead of night, after a bit of pressure for a couple of weeks, we find that Labor have a plan to trash the capability requirements set out in the white paper. What does that mean? Are they going to trash the upgrading of the Anzac ships? Are they going to trash the 15 replacements for the Fremantles which we need for the coastal defence and surveillance task? Are they going to undermine our capacity for the purchase of new combat aircraft? Are they going to scrap the 350 armed personnel carriers which we are going to upgrade? Lastly, are they going to do what they did back in 1991? Back in 1991, what the Labor Party did was basically to scrap two battalions.

The import of this is that Kim Beazley, the Leader of the Opposition, is going back to the discredited policy. When we had to deal with Timor, it was only because the government had taken the preparatory steps to prepare for Timor that we were actually able to send the men, women and equipment to Timor that we were able to send. This is not just lazy defence policy; this is a deceitful policy position. The Leader of the Opposition has not bothered to discuss it with his shadow minister, who is out there on a limb on the policy position. After two weeks, this finally removes the charade—this claim about bipartisanship on defence. You have got a policy to trash the very white paper you have been publicly supporting. That is not good enough. We intend to pursue this matter all the way to the next election.

Textiles Industry: Exploitation of Outworkers

Ms KERNOT (2.45 p.m.)—My question is to the Minister for Employment, Workplace Relations and Small Business. Minister, are you aware of the ‘no sweatshop’ label campaign being conducted in the community to prevent the exploitation of outworkers in the garment industry? These are some of the most vulnerable women in our society whose working conditions are so poor—

Mr SPEAKER—The member for Dickson is advancing an argument and must come to her question.

Ms KERNOT—Minister, will you, along with Coles Myer, the Australian Industry Group and many church and community groups, support this campaign? If you will not, what are you proposing to do to prevent this shameless exploitation?

Mr ABBOTT—the area of outworkers, particularly outworkers in the textile industry, is already regulated. It is regulated by a 1982 federal award. Obviously in this area enforcement is difficult.

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business!

Mr ABBOTT—Enforcement is a matter for both the federal and the state inspectorate in this general area. I can point out to the House that the federal inspectorate is a very vigorous organisation. Over the last 12
months the federal inspectorate has been responsible for launching prosecutions in 5,000 cases—

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business is warned!

Mr ABBOTT—which has resulted in the recovery of more than $4 million for workers. If the member for Dickson has any specific instances of exploitation and abuse, I would be grateful if she would report them to the wage line. They will be chased up by the federal inspectorate.

On the general subject of women’s employment—after all, it is International Women’s Day—let me say that this government has a very good record when it comes to women’s employment.

Mr McMullan—Mr Speaker, I raise a point of order and it relates to relevance. This might be the answer he rehearsed, but it is not the question he was asked.

Mr SPEAKER—The Minister for Employment, Workplace Relations and Small Business was asked a question about sweatshop labour and outworkers. He had been responding entirely to that question. I had no reason to intervene. I presume he was staying with that subject and I invite him to conclude his answer.

Mr ABBOTT—Under this government, the participation rate for women has gone up from 52.5 per cent to 54 per cent—

Mr SPEAKER—The minister must relate his remarks to sweatshop workers.

Mr ABBOTT—In the Workplace Relations Act, this government has a regulatory framework in place to cover this matter. The member for Dickson should remember that, because, let us face it, she helped to negotiate it.

Private Health Insurance: Premiums

Mrs GASH (2.57 p.m.)—My question is addressed to the Minister for Health and Aged Care. Would the minister update the House on the latest information regarding premiums for the nine million Australians with private health insurance?

Dr WOOLDRIDGE—I thank the honourable member for her question. I am in a position to inform honourable members of the situation for 43 out of the 44 health funds in Australia, and it is great news. Of those 43 funds, 41 will have no premium increase whatsoever this year. Of the other two, a small one, the Transport Friendly Society, with about 5,000 members, is having a small increase and the other—GMHBA, based at Geelong—is having a small decrease. So, for the first time ever, there will be a slight overall decrease in premiums for the nine million Australians who have private health insurance.

This has come about after a lot of hard work and as a direct result of Lifetime Health Cover, the 30 per cent rebate and this government’s commitment to fix an area that was in diabolical trouble. It is great news for honourable members and it is great news for 68 per cent of the voters in the federal seat of Ryan who have private health insurance—one of the highest rates of health insurance anywhere in Australia. The only thing that would put it under pressure would be the election of a Labor government. We are pleased with this result. The one fund that I am not in a position to make an announcement on is HBF in Western Australia. I have asked for more information on that and I will be in a position to make an announcement next week.

Women: Equal Opportunity

Dr LAWRENCE (3.00 p.m.)—My question is to the Minister for Workplace Relations and Small Business. Minister, have you seen the comments by the Minister Assisting the Prime Minister for the Status of Women, Senator Vanstone, that the Howard government is “female friendly”? If this is so, why is it that under your government average weekly ordinary time earnings for women have declined compared to those for men, and average annual wage increases for women from enterprise bargaining have also fallen? Minister, will you please tell Senator Vanstone that she is simply wrong?

Mr ABBOTT—Senator Vanstone is right and the member for Fremantle is simply
wrong. I happen to have the figures here in front of me. Labor’s record is that from November 1991 to February 1996 average weekly ordinary time earnings for full-time adult women increased 3.1 per cent per year. That is okay. Under the coalition, average weekly ordinary time earnings for full-time adult women increased by 4.3 per cent a year. Our record is clearly better.

Ms Macklin interjecting—

Mr SPEAKER—The member for Jagajaga is warned!

Women: Apprenticeships

Mrs DE-ANNE KELLY (3.01 p.m.)—My question is addressed to the Minister for Education, Training and Youth Affairs. Would the minister inform the House about how government policies are encouraging women to take up new apprenticeship opportunities? Is the minister aware of alternative strategies to create opportunities for women?

Dr KEMP—I thank the honourable member for her question. When the Labor Party was in office, we saw the apprenticeship system emasculated; we saw the apprenticeship system almost destroyed. We had the lowest number of people in apprenticeships and traineeships as a proportion of the work force for three decades. In 1994, female participation in apprenticeships and traineeships was a mere 13 per cent. It had been around that level for decades.

In the last five years, I am pleased to report that, as a result of the government’s reforms to the apprenticeship system, there has been an enormous increase in the proportion of women in apprenticeships, with 32 per cent of new apprentices currently in training being women and the percentage rising. This translates to an extra 66,000 apprenticeship and traineeship positions being created for women in the last five years—66,000 additional opportunities for women to get high quality training through the government’s apprenticeship and traineeship system. This is wonderful news on International Women’s Day. I am sure every member of this House will welcome this very significant advance.

We have seen also, I am pleased to report, a 22 per cent increase in the number of females doing an apprenticeship in the traditional trade occupations over the last five years, going into industries like engineering and mechanics and becoming electricians. The majority of growth, however, has been in the non-trade areas because the Howard government has opened up to new industries the opportunity to offer apprenticeships and traineeships through the New Apprenticeships system. Industries like retail, trade, hospitality, finance and community services—industries that are large employers of women—now have the opportunity to offer women first-class, structured training that leads on to a portable qualification which is nationally recognised.

There is an enormous contrast between what this government has done for apprenticeship opportunities for women and men compared with the previous government. The previous government handed the apprenticeship system over to the trade union movement. They essentially frightened employers out of taking on apprentices and trainees because to take on a trainee was just about equivalent to inviting the ACTU through the door into the small business workplace.

We have put in place an apprenticeship system which actually meets the needs of young people, women, men and those seeking to improve their skills. The Labor Party were out of touch. They have no policies now that are going to commit them to reviving the apprenticeship system. We have built up the apprenticeship system. We have built up skills and we have built up opportunities for women on a very large scale.

Minister for the Arts and the Centenary of Federation

Mr McMULLAN (3.04 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall yesterday saying that you would look into specific allegations raised concerning Minister McGauran’s million-dollar-a year poker machine interests? Prime Minister, is it not a fact that Minister McGauran’s company applied to Hobsons Bay City
Council for five extra poker machines on 10 April last year? Wasn’t this seven days after the cabinet first considered the issue of online gambling and 39 days before the minister publicly announced the government’s moratorium? Prime Minister, is it not true that at that time Minister McGauran was the only commercial operator of poker machines in Australia with inside knowledge of the prospect of the government’s ban on online gambling? Prime Minister, will you now immediately investigate Minister McGauran’s conduct?

Mr Andrews—Mr Speaker, I take a point of order. This question clearly infringes standing order 144 in that it not only contains imputations but is making allegations which require a substantive motion. If the honourable member wishes to pursue that, he should pursue it by way of a motion.

Mr SPEAKER—I thank the member for Menzies for his point of order. He is right that there is an imputation in the question, as there is in many questions. I did not think that the question contained such a level of imputation or reflection on the minister’s character that it warranted a substantive motion. That is why I allowed it to stand. Similar questions have been allowed to stand in the past.

Mr McGauran—Thank you, Mr Speaker. I am very keen—

Mr Leo McLeay—On a further point of order, Mr Speaker: while it is normal practice in this House that the Prime Minister can ask any minister to answer a question on his behalf, I wonder how the minister can answer the question as to whether the Prime Minister will investigate the minister. Is the minister now going to investigate himself?

Mr SPEAKER—The Chief Opposition Whip is aware that the Prime Minister or any minister can determine whoever is the appropriate minister to respond to a question. For that reason I am recognising the Minister for the Arts and the Centenary of Federation.

Ms Crosio interjecting—

Mr SPEAKER—The member for Prospect!
vants or with Senator Alston’s staff. I was totally unaware of the cabinet considerations on this matter. The cabinet must have made, I conclude, its decision on 8 May. I got briefed on 19 May to go out and announce the decision and the hotel, again which I did not know, had lodged an application on 10 April. You are a bunch of liars and slurrers.

Ms Hoare interjecting—
Mr SPEAKER—The member for Charlton is warned.

Mr O’Keefe interjecting—
Mr SPEAKER—The member for Burke! I call the member for Pearce.

Mr Tuckey interjecting—
Honourable members interjecting—

Mr SPEAKER—The Minister for Forestry and Conservation! For the benefit of members of the House, I inform the House that I was in fact in the process of warning the member for Charlton—which she may not have been aware of, I suspect, from the impression I now gain. I did not hear, nor do I intend to take any action on, any remark that was made. I am happy to discuss it with the Manager of Opposition Business later if he so desires. I will not tolerate that from anyone.

Mrs Crosio interjecting—
Mr SPEAKER—The member for Prospect for the third and final time!

Minister for Foreign Affairs: Visit to the United States of America

Mrs MOYLAN (3.10 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister inform the House of the purpose of his forthcoming visit to the United States this month? What areas of the bilateral relationship will he focus on in his discussions with the new administration?

Opposition members interjecting—

Mr DOWNER—I thank the honourable member for Pearce for her question and the interest she shows in foreign affairs. I note the interjections from the opposition. It is now 182 days since the opposition spokesman asked me a question about foreign affairs, which demonstrates the depth and profundity of his interest in these issues—not that anyone would call Laurie profound.

I will be visiting Washington from 20 to 22 March, and this will be the first contact at ministerial level between our government and the new Bush administration. I will be holding discussions with senior members of the administration’s foreign and trade policy team, including Secretary of State Powell and the trade representative, Bob Zoellick, as well as with key members of the Congress.

In my discussions with Secretary Powell, I will be underlining the importance of the enduring nature of our security relationship. He clearly knows only too well about that. This year is the 50th anniversary of the ANZUS Treaty entered into by the Menzies government and is one of the great security achievements of Australia during the last 100 years. We will be having extensive discussions about a range of international security issues. We certainly share with the United States concerns over ballistic missile proliferation and weapons of mass destruction, and we understand the interest that the United States has in developing a missile defence system to try to deal with that threat.

I note that, in contrast with the opposition here in Australia, a number of countries, including the Labour government in the United Kingdom and the Social Democratic government in Germany, increasingly now share similar views to Australia on the United States missile defence plans. In a joint statement between President Bush and Prime Minister Blair, they said that they recognised the existence of a common threat stemming from the growing proliferation of weapons of mass destruction and increasingly sophisticated missiles for their delivery and that they needed to obstruct and deter these new threats with a strategy that encompasses both offensive and defensive systems.

That is a very sensible statement, and it stands in stark contradiction to the Australian opposition’s position, should it ever become the government of this country, that it would not allow Pine Gap to be used in any way at all if it were to be associated with a development of an American missile defence sys-
which, of course, in the end would lead to the closure of the Pine Gap facility altogether. Labor’s commitment to ban the use of Pine Gap for the missile defence system would in the end lead to the closure of Pine Gap and would severely undermine the very basis of the alliance that we have with the United States. Labor’s proposition is apparently that it will fix up the ballistic missile threat through the member for Kingsford-Smith hopping around the world, going and telling the likes of Saddam Hussein and Kim Jong-Il to stop building missile arsenals. You could only question whether they would listen to the member for Kingsford-Smith on issues like that. Of course the answer is that they would not.

I also look forward to discussing with Secretary Powell and others perspectives on issues in South-East Asia, in particular, naturally enough, Indonesia, our largest and most important neighbour, and also developments on the Korean Peninsular and in North Asia more broadly. I will be using my talks with Ambassador Zoellick and others to discuss the possibilities of entering into negotiations with the United States on a free trade agreement between our two countries, and the Minister for Trade will, two or so weeks later, be in Washington to enter into further discussions on the topic. We at this stage are merely exploring that issue with the United States and, as far as Australia is concerned, it would be axiomatic, if there were to be such an agreement, that it would facilitate the reduction in protection in the United States against Australian agricultural exports.

Minister for Sport and Tourism

Mr McCLELLAND (3.15 p.m.)—My question is to the Prime Minister. Prime Minister, can you confirm that there is a current Federal Police investigation into allegations of electoral rorting in relation to the 1999 Penrith City Council election when Minister Kelly was the president of the Liberal Party’s Penrith local government conference and actively directed the council campaign? Is the Prime Minister aware that this investigation is also looking at——

Government members interjecting——

Mr SPEAKER—The member for Barton has the call.

Mr McCLELLAND—Is the Prime Minister aware that this investigation is also looking at——

Mr Pyne interjecting——

Mr SPEAKER—The member for Sturt! Honourable members interjecting——

Mr SPEAKER—When the House has come to order I will invite the member for Barton to repeat the last sentence of his question.

Mr McCLELLAND—Thank you. Is the Prime Minister aware that this investigation is also looking at new allegations directly involving Minister Kelly and two of her former staff members, one of whom, by the minister’s own admission in this House, was falsely enrolled at her own home? Prime Minister, given you were clearly misinformed yesterday in claiming that there were no new allegations of substance against Minister Kelly, will you now stand the Minister for Sport and Tourism aside?

Mr HOWARD—Without checking the Hansard, my recollection was that I said I was not standing somebody aside merely on the basis of an allegation made by the leader of the Labor Party in the Senate. That remains my position.

Workplace Relations: Enterprise Agreements

Mrs DRAPER (3.17 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister advise the House about the latest trends in workplace agreements? How have the government’s workplace relations policies benefited Australian workers and their families, and is the minister aware of any alternative policies?

Mr ABBOTT—I thank the member for Makin for her question. Like the member for Makin, I am very proud to serve in a government which believes in higher pay for Australian workers and which has delivered on that commitment. The latest enterprise bargaining report released today shows record numbers of new enterprise agreements were concluded in the December quarter.
What is more, those new agreements have delivered workers pay rises averaging over $30 a week. Under this government, productivity based enterprise bargaining has become entrenched in the Australian workforce. There are now nearly 1 1/2 million workers employed under enterprise agreements, and that is up from just 26,000 under enterprise flexibility agreements in 1996. So, under this government, productivity based enterprise bargaining means that workers can earn more without having their money ripped off through higher interest rates, higher mortgage repayments, higher inflation and higher unemployment.

Unfortunately, what members opposite want to do is to scrap the enterprise bargaining system that we have put in place and go back to the bad old days of the Accord, which meant lower wages and higher unemployment. I do not believe that the Australian people are worried by a statistical blip in the growth figures. What scares them most of all—

Ms Gillard interjecting—
Mr Abbott—The member for Lalor!

Mr Abbott—Despite the best efforts of the nark party opposite, led by the greatest economic ghouls of all time—

Mr Speaker—Minister!

Mr Abbott—what is worrying the Australian people is the prospect of a return to government of the unions by the unions under a weak leader who was the teacher’s pet of the Hawke cabinet, the court jester of the Keating cabinet—

Mr Speaker—Minister!

Mr Abbott—and he is now nothing but the ventriloquist’s dummy of the ACTU.

Mr Speaker—Minister! The minister is not upholding the dignity of the House.

Mr Beazley—Mr Speaker—

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

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

QUESTIONS TO MR SPEAKER
House of Representatives: Work Practices

Mr Speaker (3.21 p.m.)—Yesterday, following my answer to the question asked by the member for Werriwa on parliamentary assistants, the Chief Opposition Whip requested details in relation to the part of my response concerning the reduction in Senior Executive Service staff. I indicated that the number of Senior Executive Service staff in the Department of the House of Representatives by the end of the financial year will be four compared with seven at this level in 1994-95. The details are as follows. On 20 October 1995, Mr Michael Salkeld retired from the position of First Assistant Secretary, Committees and Corporate Services. He was not replaced at Senior Executive Service level. On 5 September 1997, Mr Bernard Wright was promoted to the position of Deputy Clerk. His former position of First Clerk (Assistant) was not filled.

Mr McMullan interjecting—

Mr Speaker—Order! I would remind members that, while that was a well-intentioned interjection, when the chair is on its feet courtesy needs to be extended at all times. Both these positions were then at the band 2 level of the Senior Executive Service—that is, they were above the most junior level of the Senior Executive Service. Mr Don Piper has advised the Clerk of his intention to retire in June this year. I will say more about Don’s contribution to the Parliamentary Service a little later today. The Clerk has advised the staff of the department that he does not intend to replace Mr Piper at the senior executive level.

PAPERS

Mr Reith (Flinders—Leader of the House)—Papers are tabled in accordance with the list circulated to honourable members earlier today. Details of the papers will be recorded in the Votes and Proceedings.

Opposition members interjecting—

Mr Speaker—If the member for Burke wonders whether or not I intend to take action against him, it will not take him long to
find out. The Leader of the House has the call.

Mr REITH—I present papers on the following subject, being a petition which is not in accordance with the standing and sessional orders of the House:

Ban anti-personnel landmines in Sri Lanka—
from the member for Mayo—10,400 Petitioners.

MATTERS OF PUBLIC IMPORTANCE

Government: Public Policy

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

The Government’s out-of-touch and mean-spirited approach to public policy.

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 BEAZLEY (Brand—Leader of the Opposition) (3.25 p.m.)—If anyone had any doubts about the validity of this complaint about an out-of-touch and mean-spirited government, all they needed to do was listen to this last question time, which showed a government that is arrogant, abusive, desperate and completely unconcerned about what is happening in the lives of ordinary Australians in this nation.

This is the last day of parliament before the electors in Ryan have an opportunity to do something about that. Electors in Ryan cannot change the government, but they can change its attitude. They have already changed its policy. The threat of their wrath has obliged this government already to roll back its arrogance in relation to small business compliance on the GST. They have obliged this government to roll back its arrogance towards the motorists of this nation, particularly those motorists who are utilising the family car, by removing the GST spike from the last increase in petrol excise. Let me make a prediction: by the time the election comes round, or if the electors of Ryan choose to punish this government, it will be forced to roll back its clawback on the compensation that was awarded to pensioners in this country.

Although the government’s arrogance is being confronted and dealt with by the Australian electorate, they still cannot help themselves in question time. The member for Griffith asked the Prime Minister a question about what was happening to stalls in a particular show—stalls run virtually entirely by volunteers, most of whom were experiencing for the first time the appalling complexities of the goods and services tax. We have it on excellent authority that included amongst those requirements for compliance is that schoolchildren and preschoolers will be obliged to sign a legal declaration that they are hobbyists and not professionals in order to escape payment of the GST on any prizes they happen to win.

When the Prime Minister was asked a question on this by the member for Griffith, he did not say what a person who is not mean-spirited would say: ‘If that is occurring, then clearly there is an anomaly there, clearly there is a problem that needs to be fixed. Clearly we will sit down and do something for the folk who are organising this show, because to ask five-year-old children to go around signing declarations that they are hobbyists in order to receive their small prizes is an unintended consequence of the GST in operation.’ What did he do? He got up and he asked me, ‘Well, would you do it?’ Of course we would do it! If we found ourselves in a situation where schoolchildren were being obliged to sign declarations that they were hobbyists in order to receive their small prizes is an unintended consequence of the GST in operation.’ What did he do? He got up and he asked me, ‘Well, would you do it?’ Of course we would do it! If we found ourselves in a situation where schoolchildren were being obliged to sign declarations that they were hobbyists, we would sit the Taxation Office down and say, ‘This is not going to cost the Australian government a red cent. This is not going to challenge the budget surplus or the budget deficit. This is simply about applying commonsense—that’s all that this is about. This is a minor issue of adjustment, but it has a major impact on the lives of ordinary young Australians.’ But arrogance from the Prime Minister was all we got—arrogance, mean-spiritedness and a ‘blame someone else’ attitude: ‘You, the opposition, are somehow responsible for this
situation; you fix it.’ Prime Minister, if you keep behaving like that, the electorate might just take you at your word and invite us to do so.

The government’s defence of itself over the years has been blown apart in the last couple of days. This government skated on growth rates in the Australian economy that were a direct product of decisions—hard decisions—taken by the Labor Party when we were in office. The Prime Minister, when he was less mean-spirited, was actually prepared to concede this some time ago—to bankers, I might say—when he said that he inherited an economy ‘better than good in parts’. That is coming from a bitter enemy of the Labor Party—he inherited an economy ‘better than good in parts’. On the basis of the structure of Australian industry put in place by the Australian Labor Party, on the basis of the structure of the taxation system presided over by the Australian Labor Party, we enjoyed four per cent per annum growth for the last four years of our office and four per cent per annum growth for the first four years of this government’s office. That is what this nation enjoyed.

Yesterday the changes of the Australian government—the new Australian government—kicked in, and down we went to negative growth for the first time in a decade. There was a downturn in the early nineties. There were negative growth figures for a couple of years in the early nineties. That came after four and five per cent per annum growth figures for seven years prior to that and four and five per cent per annum growth years for the four years after that. But in 1990 the government of the day confronted a worldwide recession. You can all remember the Clinton campaign slogan of 1992: ‘It’s the economy, Stupid.’ You can recollect governments falling all over Europe on the subject of their inability to deal with a recession of that kind. This government confronts no such thing. This government confronts good growth in the United States—which continued, I might say, in the December quarter—good growth in Europe, which continued in the December quarter, and it confronts magnificent growth rates in the regions around us, our major trading partners. That is what this government confronts, as opposed to the situation faced by the Labor Party in 1990.

I rehearse this history because it is necessary for me to do so to pin home on the Prime Minister what he will not accept for himself: getting things right means admitting you have done something wrong. That is the first point of getting things right. If this Prime Minister could ever in his life admit getting something wrong, there would be some getting of wisdom that could give us a guarantee that he would get into some sort of situation which they would get right. But he cannot admit it. He was out there yesterday blaming the Reserve Bank. It is like when he was Treasurer and he confronted massive interest rates—what people used to do with housing interest rates when he was Treasurer. He inherited from the Labor Party a process of fixing housing rates, and housing rates would never get above about 13 per cent, from recollection. The trouble was no-one would lend you money. So when John Howard was Treasurer what they would have to do is cocktail a loan. They would mix a personal loan with a capped loan, and those personal loans had interest rates up to 22 per cent in them. That was at the time when John Howard was Treasurer. Then he had the situation—and I am talking now in today’s dollar terms because this is the position that we inherited—of a $25 billion budget deficit. Did he accept responsibility for that? It was the Treasury that produced that! And when an explanation was sought from him as to why the Australian economy was sclerotic, why our manufacturing industry was collapsing, when he had all of that presented to him back then, he said that it was Malcolm Fraser’s fault. There is a book that I waved about in question time which is supposed to be ‘The Life of John Howard’. In fact it is ‘How Malcolm Fraser ruined the first half of my life’. That book might have actually sold a bit better if that were its title.

Firstly, the Prime Minister blames everybody but himself. Secondly, when asked what he is going to do to get out of it he has no answers. When asked what he is going to
do with another term in government he has no answers. There was a delightful little episode last Sunday in one of those Sunday news shows—this one run by Glenn Milne—in which the Prime Minister appeared. I will go to the questions. This is Milne:

One of the issues that was raised in the party room last week, I believe, by one MP was that the government needs a vision for the next term. Have you got a vision for the next term?

Remember, this is the bunch that is going to go around and spend the next six months, they say, challenging me about what our ideas in the Australian Labor Party are for the population. Let us have a look at what his reply was. This is what the Prime Minister says:

Well, I've got a number of things I want to say about my third term agenda, but this isn't quite the right time to do it. We're in the middle of a by-election.

I would have thought the people of Ryan might like to have a heck of an idea about what he intends to do in the third term before they vote for him. He continues:

We're in the process of responding to concerns from small business and the public in relation to the Business Activity Statement, trusts and petrol. And that's not the time to be talking about the third term agenda.

Let me just analyse this statement:

Well, I've got a number of things I want to say about my third term agenda, but this isn't quite the right time to do it.

Translation: 'I have no idea how to answer that question. Can I get back to you?'

We're in the middle of a by-election.

Translation: 'Can't you see I'm in enough trouble as it is?'

We're in the process of responding to concerns from small business and the public in relation to the Business Activity Statement, trusts and petrol.

Translation: 'We're bogged down in a complete mess of our own making.'

And that's not the time to be talking about the third term agenda.

Translation: 'I have no third term agenda.'

But I certainly have in mind a very strong third term agenda. And people will be hearing a lot more about it as time goes by.

Translation: 'I have absolutely no third term agenda. I am making this up as I go along. But now that you mention it I had better try to think of one.' That is this Prime Minister. We do know he has a third term agenda, and that is to retire in it if he is elected. He has said to the Australian people: 'Vote for me and I'm gone in six months.' One of our many campaigns slogans will be: 'Vote against him and remove him immediately.'

That will be our proposition to the Australian people at that time: 'Vote against him and remove him immediately. Save yourself the trouble of another by-election, this time in his seat of Bennelong, six months from now.'

But what we are getting from this opposition of ours—this government who decide that everybody is their opposition, including themselves, when it comes to dealing with issues of policy—is just blame extended across the community. The Australian people have simply not been a good enough people for this government and, if the Australian people do not start to get it right, this government firmly believe they will go out and elect a new people. That is the position that has been arrived at by this government. You do not hear anymore about Howard's battlers these days, do you? You do not hear anymore about the 50 per cent reduction in red tape for small business, do you? You do not hear anymore about great growth rates, do you? You hear about a blip caused by the United States and the Reserve Bank—that is about all you hear from this government now.

This government has challenged me to state my views on the direction of Australia should the Labor Party be elected to office. Let me tell you them with absolute clarity. Firstly, as far as public health is concerned, we are going to support the public health system and oppose the Americanisation of it—we are going to ensure that it is properly resourced. Secondly, we are going to provide an education system for all Australians, not just the rich. The third thing we are going to do is deal with the problems of people's liv-
ing standards, whether they happen to live in the city or in the bush. The fourth thing we are going to do is invest in a knowledge nation, because that is what we should have been talking about for the last five years. We should have been talking about innovation in business; we should have been talking about education, skills and training. If we had been doing that and not implementing the GST, three things would have resulted: firstly, we would not be going backwards in our economy; secondly, the Australian dollar would be presenting very differently to the community now; and, thirdly, there would be a bit of fairness and decency in the Australian community, and we are going to offer the people the opportunity to fix that.

Mr REITH (Flinders—Leader of the House) (3.40 p.m.)—What a pathetic performance, a truly pathetic performance. People in the gallery will be taking their jackets off as the hot air rises. That is what I call a rant-and-rave MPI. This must hold the record as one of the most vacuous MPIs ever put before the parliament. For those who do not know, the process is that this provides an opportunity for the opposition to discuss a matter of public importance. I would have to say that, within 10 minutes, most people would have trouble remembering what it is that comprised the hot air we just had from the Leader of the Opposition.

The Leader of the Opposition talked about being out of touch and mean-spirited and about the arrogance of the government. In doing so, he referred to the ‘structural change’—these were his words—to the Australian economy which he said ‘laid the foundation’ for the period of economic growth we have just endured. In other words, the better economic performance Australia has had since 1996 and the election of the Howard government, according to the Leader of the Opposition, was entirely to the credit of the previous administration. The great arrogance in that statement was confirmed by interjection by another loudmouth, the Deputy Leader of the Opposition—the former ACTU president—the member for Hotham, who, by his interjection, made clear that the Labor Party’s restructuring of the economy was a reference to the most arrogant statement, the most arrogant policy, probably ever perpetrated on the Australian public: the policy encapsulated by Paul Keating as the ‘recession that we had to have’.

When it comes to arrogance the Leader of the Opposition must think the Australian public has a short memory. He talks about economic management but, as one of our ministers said of himself today, he was a farmer in the 1980s and he can remember paying 22 per cent interest rates on his overdraft to try and make ends meet on the family farm. When it came to arrogance the most arrogant government this country has ever seen was the government of the previous Labor administration, of which the Leader of the Opposition was both finance minister and Deputy Prime Minister. The ultimate arrogance was the previous government’s failure to do some of the things that were necessary to provide a genuinely solid foundation for economic growth in this country.

As the Prime Minister said, we were of course disappointed with the number yesterday in the sense that, instead of having a plus for GDP in that December quarter, it was actually a minus 0.6. But you do need to put these things in perspective. As one wit once said, ‘There are lies, damned lies and statistics.’ I can tell you that, if you follow the GDP figures—and most people do not even know what GDP is; it is gross domestic product—they do move around a bit and they are subject to revision. Quite frankly, we do not know whether in three months time that minus 0.6 will not in fact be revised out of existence altogether. I tell you what we do know, though, and that is that the introduction of the new tax package has made for a lot of changes in behaviour in the way the economy operates. Some of those will be long-term changes. People will do things differently as a result of the changes to the tax system. Quite frankly, that is the reason we changed the tax system. We want, for example, to remove billions of dollars of tax off Australia’s great export industries because, if they are more successful, there will
be more jobs in Australia, higher incomes and the like.

We make no apologies for it; it was a fantastic decision. Politicians get up and say that they support Australian industry, well I tell you what: this is a government that actually did something to support Australian industry. We removed a whole raft of taxes that should never have been introduced in the first place. Wholesale sales tax was put on as a temporary tax at the time of the Great Depression in the 1930s. In all the time since, no-one has had the guts to say or to do what was absolutely necessary in our national interest—get rid of that whole tax system.

We have made long-term structural changes—which were absolutely overdue—to the tax system, and we make no apology for that. In fact, we are proud of the changes that we have made. There is no question that they have strengthened the economy—none whatsoever. There are, of course, transitional effects; even blind Freddy could see that. The one which particularly stands out when you look at yesterday’s numbers is the fact that, in the housing industry, a lot of people decided they would buy their house before 1 July and before the GST came in. Again, you do not need to be an economist to understand that, if a whole lot of people brought forward the purchase of a house, when the GST came into operation on 1 July, no-one much would be buying houses in the last six months of the last calendar year.

So the building industry took a dive. If you look at the numbers it is as simple as this: the housing industry and its associated suppliers are about five per cent of the Australian economy. The other 95 per cent was growing at about four per cent. So it may well be that, in total, we went back by a fraction—0.6 per cent. But the fact is that, in 95 per cent of the economy, we were in fact powering along as usual. The Labor Party is absolutely salivating to talk the economy down. Not only did they bring on a recession deliberately in 1990 as an act of policy; now that they are in opposition, they are doing everything they possibly can to talk down the Australian economy.

Only a Paul Keating would have the arrogance to tell you that it is good for you to have a recession—the recession ‘that we had to have’—and only a Kim Beazley, Leader of the Opposition, would have the political arrogance to discourage and to talk down the Australian economy. When you look at the record, the fact is that, in the time since this government has been elected, the Australian economy has been far better managed. Let us take a few numbers, from a practical point of view, for the average person. Look at their wage packets. Wage packets for average people, particularly those on low incomes, have risen in the order of nine per cent in the time that this government has been in office. That is an increase of real money in their pockets after inflation. Under us, inflation is down as well, so you are not going to get a wage increase and lose it all on the supermarket shelves; wages are actually up after inflation.

When the Labor Party was in, wages from their first year to their thirteenth year—from the start to the finish of the Labor Party’s time in office—actually fell by five per cent. They are up by nine per cent under us after four or five years. They fell by five per cent in the time that the Labor Party was in. When the Labor Party was in, they could never balance the books. The person who was the worst finance minister that we have had for years is none other than the Leader of the Opposition. He racked up $80 billion of debt in the last five years of the Labor government. He is a world record holder when it comes to cranking up debt. He talks to us about the economy; he has got to be joking. He says, ‘You’ve got to be honest with the Australian public.’ In the 1996 election, the Labor Party told the Australian public that the books were balanced. You can imagine the fright, the shock, the horror that Prime Minister John Howard—

Mr O’Connor—What about 1993? Tell us about that.

Mr REITH—I will tell you about that—come in spinner; but why waste my time? In 1996, when we were elected, the Prime Minister and the Treasurer went to Treasury
the week after and said, ‘Can we have a look at the books?’ Having been told by Kim Beazley during the election that the books were in balance, you can imagine how horrified they were to find that we were $10.3 billion in the red—and he has the gall to talk to us about financial management. In all the years since we have been in office trying to fix up these problems, who has used their numbers in the Senate to stop us trying to bring the budget back into a reasonable balance? None other than the very man who created the problem. He has spent years trying to prevent us from fixing the problems that he created.

Inflation has been down, wages have been up and, because we have balanced the books, interest rates have been down, and that means dollars in people’s pockets. For somebody with an average home mortgage of about $100,000, the average monthly benefit from the reduction since we have been in is about $270 a month—that is, $270 a month after tax that you do not now have to fork out in higher interest rates.

I say that is good economic management. There is no jargon in this. Your wages are up and one of your most important bills if you are running a family is your home mortgage, and that has been down significantly in the time that we have been in office. Instead of the vague generalities we have from the other side, I also take the figures on industrial disputes, because, when the Labor Party was in opposition, their story was, ‘Oh, well, we get on very well with the unions and that’s why we don’t have as many disputes.’ They used to say that if the coalition were elected there would be more disputes. Of course, that was a real trick, because the fact is that when we were elected, against their opposition we changed the laws to prevent some of the worst strikes that Australia had experienced in the past—secondary boycotts. Those were the strikes where the wharfies could hold Australia to ransom. Even though they would be earning six figures—$100,000 a year—you could find wharfies walking out of Australian ports and preventing our exporters and others from getting on with their daily business.

If you average the number of disputes in the time that we have been in office and compare it with the average of the time that the Labor Party was in office—and these are official ABS figures—we have reduced the number of industrial disputes by half. That is a fantastic thing for the country. It is great for our reputation and it improves our productivity. If we have higher productivity, we can afford higher wages, we do not get higher inflation and we do not get higher interest rates. It is a virtuous cycle.

As we go to the next election, we have the Labor Party so cocky from a Morgan poll that they will not tell you, and they will do all that they can to not tell you, what their policies are. I can tell you that, with respect to the unions, their policy will be, because they have said it publicly, they will abolish the secondary boycott provisions of the Trade Practices Act. If we can for a moment put politics aside, that is an absolutely stupid policy. Fancy saying to the MUA, ‘You can take strike action and hold Australia to ransom whenever you feel like it.’

Look at the area in Defence for which I am now responsible. When we took over, one of the biggest projects Australia had ever undertaken was the Collins submarine project. That was bungled by none other than the person who is now the Leader of the Opposition. He has bungled the defence department and now he wants to bungle the country, as Prime Minister. We find in the last couple of weeks that he has a policy for additional submarines. I have been asking him how he is going to pay for them because, would you believe—and I can show you the document—that, in 1998, he said, ‘Two additional submarines won’t cost anything.’ He said that they would be free submarines. Finally, after two weeks of hammering him on the issue, he said, through a spokesman last night—he was just chatting to a journo—‘What we’re going to do is scrap a lot of the equipment that Australia was going to buy as a result of the white paper announcement last year.’ They are publicly saying that the white paper is great for the defence of Australia. I say that most Australians are enormously proud of what the Australian Defence Force
did in East Timor. They were able to go to East Timor because, when we were elected, we started to fix up the deficiencies in the Army which were left by none other than the Leader of the Opposition when he was in charge. We fix up the problem and now we find that, if he gets back into office, he is going to repeat the very problems which gave us the lack of capacity which we had to fix up from 1996.

This is a government that does listen. We are not perfect and we do not make any claims to be perfect. This is a government that listens. If we do not get BAS right then we just say honestly that we did not get it right and we fix it. If people are worried about excise or that we have not done enough about it, we honestly say that we will do more. This has been a good government and it does not deserve the vacuous, empty, hollow rhetoric of the opposition. (Time expired)

Dr LAWRENCE (Fremantle) (3.55 p.m.)—This week, and then again just now, we have seen that the Howard government are not listening to the Australian people, they are not listening to small business, they are not listening to rural and regional Australians, and they are not listening to the building industry—indeed, they are dismissing them, as we have just heard from the defence minister. The Prime Minister and his government are simply out of touch and, frankly, almost out the door.

Today, on International Women’s Day, it is all too apparent that the Prime Minister is not listening to women either, and that he is also out of touch with the needs of Australian women. On the rare occasions when the Prime Minister does appear to listen to women, it is to Pauline Hanson and not to Lowitja O’Donahue. He listens to the wreckers and not to the peacemakers; he gives comfort to those who refuse to acknowledge the need for a national apology rather than to the indigenous women who have had their children ripped from them. But most of the time, he simply does not listen at all. The Prime Minister is blind, too, to the needs and concerns of Australian women. He rarely mentions them in his public utterances, and when he does, as he did today, it is clear that he is totally unable to see what their needs are, and that he has a completely unrealistic view of the complexity of their lives, and of the responsibilities they carry. He clearly has not been paying attention for a very long time.

If he listened to young women with families, he would not have presided over policies which have seen about 400 child-care centres close their doors. If he were a Prime Minister of compassion and understanding, how could he have cut the full entitlements of 100,000 families receiving the family tax benefit? He clearly is not listening. These policy failures are no accident, however, because on coming into government the coalition systematically destroyed all the tools for listening to women. They actually represented women as some kind of noisy minority, and deliberately closed the doors. They defunded most women’s community groups and organisations, and that is still the case today. They do not want to hear what they have to say. They ended the women’s budget statement, which allowed us to work out the effect of government decisions on women, and they applied a slash and burn approach to critical social programs that improved the lives of women and their families. Of course, they completely sidelined the Office of the Status of Women—they have been rendered almost totally irrelevant.

Australians are only now beginning to bear the full brunt of the Howard government’s obsession with the goods and services tax—the wrecking ball that we have seen go through the economy. As somebody put it to me today, it is a fireball. It is not so much a slow burn any more, but a fireball. Australian women, too, are feeling the pain, but this government has not really noticed. It calls the effects transitional—well, tell that to the people who are experiencing it. This Prime Minister can backflip and adopt Labor policy on small business and on petrol as much as he wants. Indeed, in some respects we are pleased, but Australians will not forget. Australian women will not forget that he refused to listen to them when it mattered.
For example, as a result of the Prime Minister's cloth ears, the GST means that women's sanitary products are now taxed for the first time in Australia's history. Good record, that one! Despite more than 10,000 women petitioning the government in a matter of weeks, what did they get? Nothing but derision from a minister who compared menstruation with shaving—thank you, very much, Minister.

It does not just end there. This government has insisted on taxing baby products and breast-feeding and punishing women through the family tax benefit if they dare to return to work after having a baby—second-class citizens in their view. The 35 per cent of small business operators who are women are faced with the onerous burden of the business activity statement, forcing them, with complex responsibilities already, to work longer and harder without any additional return to their business. As was pointed out to me by the Australian Women in Agriculture today, in the country it is even worse. Women on farms who do most of the bookwork have been saddled with an intolerable extra burden with very little backup and support.

What can the Prime Minister say to all of those students that he has ignored—particularly women; the women of Ryan, for instance—who have had an increase of $1 billion extra in their HECS bills, collectively, that is, to all Australians. Until the government can close the wages gap, HECS debts will continue to hurt women disproportionately throughout their working lives. What have we heard from the government about this? Nothing. It is indifferent. Mature age students, frequently women, have been hard hit by the increased HECS charges and the requirement to begin repayments at an income which is effectively below the poverty line. As a result, despite all the puff we heard today about higher education, university applications from mature age students have fallen by more than eight per cent since 1996. This is an area where we should be growing, not contracting. Yet Senator Vanstone, yesterday, had the gall to call this a female friendly government—an amazing statement. I wonder where she has been for the last five years.

Mr Swan—They have not been friendly to her.

Dr LAWRENCE—that is right, she has been on the bottom of the pile for some time. She even claimed that the government had had some success in child care. This was the one thing she wanted to hand up, together with employment. But, in the first four years of the Howard government, the cost to families of child care increased dramatically. We on this side know this because we listen to what women and families tell us. The government froze indexation and stripped $850 million from the child-care budget in their first effort. As a result, the number of low income families receiving the maximum rate of child-care assistance fell by $8,500 over that period. Subsequently, 400 child-care centres closed their doors, and mainly in areas of poverty and disadvantage. Terrific! I am not sure that leaves much to be proud of, Senator Vanstone.

What can the Prime Minister say to women who rely on awards for pay and conditions? This is just going to some areas that they touched on today. His response here has been nothing but miserly and mean-spirited and, again, shows he does not listen. His government has stripped awards and limited allowable award conditions, and we all know what the consequences of that are. The result is that the gender pay gap is widening again—despite what was said today—and quickly. The elimination of women-unfriendly working conditions are harder to achieve, especially in industries with a high proportion of women. Their conditions are worse, Prime Minister. Will you listen? It is a disgrace that the process of eliminating the gender gap—begun in the equal pay cases in 1969 and 1970 and continued in the nineties—has stalled under this government, and working Australian women know it. Average weekly ordinary time earnings of women have declined compared with those of men. It does not matter what the Prime Minister wants to say about this, those are the facts. Average annual wage increases for women
for enterprise bargaining have fallen and women earn only 43.7 per cent of the over award and agreement rates earned by men. These are facts. Many of the new jobs for women have been casual jobs, which do not have many of protections and rewards of full-time permanent work.

The Prime Minister does not seem to understand that split shifts and family unfriendly hours are proliferating and are a real problem for families. Indeed, in the United States, where this has reached even more of a peak, they are called permatemps, when they are in permanent temporary work. They have found a new word for it. Most significantly, women in casual jobs cannot build up an adequate superannuation which will mean that they are poor in retirement as well. The Prime Minister does not hear any of this. He does not understand it. This government has put an end to maternity and paternity leave provisions, flexible working arrangements and protection against sex discrimination in awards. Indeed, the prevention of sex discrimination is something this government—unlike, I would say, Liberals in previous years—appears no longer to care about.

They have introduced, and the legislation is yet to appear down here but we think it will eventually, discriminatory clauses against unmarried women in the Sex Discrimination Act, and the irony of that I am sure does not escape most people—a principle which even Liberals used to agree was unprincipled, and that even current Liberals in the Senate agree is unwieldy and unworkable. It is against the very principles that the act stood for when it was introduced by the Hawke government in 1984 and at that time supported by some Liberals. Perhaps we have to say that the Liberals and the coalition were not always as mean as they are in this government. This government has also ignored a report from the Human Rights Commission advising them to end discrimination against pregnant women. We still have not seen any proof that this government wants to act against this discrimination. We have seen no legislation.

Australian women know that, despite all of the government propaganda, life is tougher, and they want the government to listen when they say that. Australian women know that more of their children are living in poverty. On the coalition’s watch there has been a dramatic rise in the poverty risk faced by children in working families, and 860,000 Australian children are now growing up in families where no-one has a job. Listen to this, Prime Minister. By any measure, in any portfolio you choose, this government has ignored, not listened to, and belittled Australian women rather than work with them. If this is female friendly, I am not sure Australian women would want to know what their enemies look like. Today, on International Women’s Day, I think it is an opportunity to say to the government: listen to Australian women. Is there something in what women are asking for that offends the Prime Minister or does he simply enjoy being divisive? It is time the government listened. Australian women know that this government is completely out of touch. (Time expired)

Mr CAUSLEY (Page) (4.05 p.m.)—It is interesting that the Labor Party should put the member for Fremantle up as the second speaker in this debate, because if you want to look at a glaring example of fiscal irresponsibility it was Western Australia under Labor governments. The member for Fremantle was the Premier of Western Australia at one of those times and one of the premiers from over there went to jail. That was how fiscally irresponsible they were in Western Australia. We only have to—

Ms Roxon—You don’t know the difference between sanitary products and cosmetics.

Mr CAUSLEY—I will tell you about Victoria—I will tell the member for Gellibrand about Victoria.

Mr Horne—Mr Deputy Speaker, on a point of order: the member for Page is experienced enough to know that he won’t tell the member for Gellibrand anything, that he will address his comments through you.
Mr DEPUTY SPEAKER (Mr Nehl)—Resume your seat. The member for Page has the call.

Mr CAUSLEY—When Victoria had their famous female premier, we saw a racking up of $40 billion worth of debt. What about South Australia when the Labor Party was in power? What about the great South Australian bank debacle? The extraordinary thing—Opposition members interjecting—

Mr CAUSLEY—No, I just hate you, Leo.

Mr DEPUTY SPEAKER—Order! The member for McMillan!

Mr CAUSLEY—The one thing we have to admire about the Leader of the Opposition is his absolute gall to stand up here today and talk about fiscal responsibility, when he was the finance minister in a government that racked up all of this debt that these people are complaining about that we had to fix. If you had not left such an extraordinary debt, then you would not have had to have some of the hard things you are talking about.

The member for Paterson, by the way, does not believe that the New South Wales government should give back some of the excise to roads. He says that the Commonwealth government should give money back but he does not support the motorists in New South Wales getting some support from the New South Wales government. He does not support some of that money going into the Pacific Highway so that we can get better roads through that area.

Mr Zahra—You were in support of dairy deregulation, weren’t you?

Mr DEPUTY SPEAKER—Order! The member for McMillan has now been called to order four times.

Mr CAUSLEY—There is no doubt that the Leader of the Opposition stands responsible for some of the problems that have been debated here this afternoon. As you well know, Mr Deputy Speaker, I spent quite a lot of time in the New South Wales state parliament and I spent a lot of the time there dealing with constituents who came into my office. I remember very clearly the interest rates that prevailed during the period of the Hawke-Keating government. I had couples in my office crying because they had taken out housing loans at 12 or 13 per cent—

Mr O’Connor—They are now in ours crying about your policies.

Mr CAUSLEY—The member for Corio says he was born on a farm, but he does not tell us that he escaped the farm because he would not work.

Ms Roxon—Mr Deputy Speaker, this is so tragically boring that I must draw your attention to the state of the House.

The bells being rung for a quorum—

Mr Zahra—While we are waiting, you can tell us how you got your riding instructions in the supermarkets.

Mr DEPUTY SPEAKER—I warn the member for McMillan!

Mrs Bronwyn Bishop—We had to listen to the unctuous Carmen Lawrence, responsible for the death of Penny Easton.

Mr O’Connor—Mr Deputy Speaker, did you hear that remark from the minister across the table?

Mr DEPUTY SPEAKER—I did not.

Mr O’Connor—She said that the honourable member for Fremantle was responsible for the death of Penny Easton. She should withdraw that.

Mr DEPUTY SPEAKER—I heard absolutely nothing.

(Quorum formed)

Mr CAUSLEY—There are some very sensitive people on the other side. They like to dish it out but they cannot take it. I could probably forgive an inexperienced member like the member for Gellibrand, but she does not appear to be learning very much while she is in this place.

Mr Ronaldson interjecting—

Mr DEPUTY SPEAKER—The Chief Government Whip will be silent.

Mr Zahra interjecting—

Mr DEPUTY SPEAKER—Order! The member for McMillan will excuse himself from the service of the House under standing order 304A.
The member for McMillan then left the chamber.

Mr CAUSLEY—The Leader of the Opposition stands up here and tries to bluster and bluff and talk about what problems there are and the mean-spirited government. I might remind him of a few things that have happened. Let us have a look at some of the points that were made by the Treasurer the other day about pensions. The Labor Party never attempted to help the pensioners when there was a low inflation rate, but this government ensured that pensioners would get their gains, and we tied it to the male weekly earnings to make sure that they did. Is that mean spirited? When the new tax system was introduced, there was a four per cent increase, two per cent up front for the inflationary factor and two per cent extra, and it will always remain two per cent extra. Is that mean spirited? I would not think so. Have a look at some of the issues in the bush. They forget very quickly over there, don’t they, about the fact that diesel fuel was cut by 24c—

Mr Sercombe—You should be the leader.

Mr CAUSLEY—We have got the member for Maribyrnong now. He is the expert, I dare say.

Mr Sercombe interjecting—

Mr DEPUTY SPEAKER interjecting—

Mr DEPUTY SPEAKER—Order! The member for Maribyrnong!

Mr CAUSLEY—We will have another one out of the House before long. There is no doubt in my mind that this is just bluff, because obviously they are on a high at the present time. They think there has been an opinion poll that suited them. But I remind them that there is a long way to go to the next election. I have been talking to some business people and, I tell you what, as soon as you mention the name Kim Beazley they absolutely cringe, because they remember the 18 per cent interest rates. As the Minister for Small Business reminds us, some farmers had penalty interest rates up to 25 per cent, and small businesses are still repaying money that was borrowed at the time when Labor delivered those high interest rates. They had to restructure their debts but they are still paying for the interest rates Labor put on them at that time. We will not forget those issues and we will not let the people forget them either, I can assure you, Mr Deputy Speaker.

I am sure that, if people look at these things honestly and look at the absolute mess that was delivered by the Labor Party, they will remember that, if they elect the Labor Party, they will go straight back to that mess. There are plenty of examples of this, if you look around. I mentioned the fact that Victoria was the rust bucket state before Jeff Kennett took over. He got Victoria back on line. We remember the great fiscal disasters in South Australia—the State Bank of South Australia, I am reminded. We remember Western Australia. I am surprised that the member for Fremantle did not say that there was some cut in the funding for amnesia. (Time expired)

COMMITTEES

Membership

Mr DEPUTY SPEAKER (Mr Jenkins)—Mr Speaker has received advice from the Government Whip that two members wish to resign their membership of certain committees.

Motion (by Bronwyn Bishop)—by leave—agreed to.

That:

Mrs Gallus be discharged from the Standing Committee on Environment and Heritage; and Mr I.E. Macfarlane be discharged from the Standing Committee on Industry, Science and Resources, the Standing Committee on Primary Industries and Regional Services, and the Library Committee.

BILLS RETURNED FROM THE SENATE

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

Family and Community Services Legislation Amendment (New Zealand Citizens) Bill 2001
COMMITTEES

Privileges Committee

Report

Mr SOMLYAY (Fairfax) (4.16 p.m.)—I present the reports of the Committee of Privileges concerning applications from Ms Nahid Atalla and Mrs Dawn Colston for the publication of responses to references made in the House of Representatives.

Ordered that the reports be printed.

Corporations and Securities Committee

Report

Mr SERCOMBE (Maribyrnong) (4.17 p.m.)—On behalf of the Joint Committee on Corporations and Securities, I present the committee’s report, incorporating a dissenting report, entitled Aspects of the regulation of proprietary companies, together with the evidence received by the committee.

Ordered that the report be printed.

Mr SERCOMBE—by leave—This report arises from an undertaking that was given back in 1995 that the changes to the financial reporting requirements for proprietary companies under the First Corporate Law Simplification Act of 1995 be reviewed after two years of operation of the legislation. This is not an area where there is fundamental disagreement between the two sides in this place, but there is certainly some difference in emphasis of the approaches that are taken that are reflected in the majority report and in the minority report. Essentially, the report dealt with a number of issues: the small or large criteria in section 45A of the Corporations Law, the appropriateness of having requirements for audit and lodging of financial statements for some classes of proprietary companies, the appropriateness of the criteria for the exercise of ASIC’s direction to provide relief from the accounting provisions of the law and the manner in which ASIC exercise that discretion and the effectiveness and cost of the process of ASIC providing exemptions from the audit requirements of the Corporations Law through the exercise of its administrative powers.

As I indicated, the differences between government and opposition members of the committee were not particularly large on these matters, somewhat technical as they may be, but certainly those members who peruse the report will see that the opposition members do not see sufficiently good reason to move away from the legislative requirements of the 1995 act, whereas government members are making recommendations about some minor changes in relation to the way in which the act operates. I present the report to the House. Those members who wish to go into what is essentially a fairly technical subject will, I am sure, get endless hours of pleasure from reading the report.

Members’ Interests Committee

Report

Mr SOMLYAY (Fairfax) (4.20 p.m.)—In accordance with standing order 329, on behalf of the Committee of Members’ Interests, I present the Report on the Operations of the Committee for 2000.

Ordered that the report be printed.

Publications Committee

Report

Mr LIEBERMAN (Indi) (4.20 p.m.)—I present the 24th report from the Publications Committee sitting in conference with the Publications Committee of the Senate.


TAXATION LAWS AMENDMENT (EXCISE ARRANGEMENTS) BILL 2000

Second Reading

Debate resumed.

Mr CADMAN (Mitchell) (4.22 p.m.)—We are dealing with amendments to excise legislation. The bill is entitled the Taxation Laws Amendment (Excise Arrangements) Bill 2000 and it deals with the role and capacity of the Australian Taxation Office to verify and ensure that excise on products is collected. Over the last few weeks the community has debated the role of excise on petroleum products and the Australian Labor Party has not been reluctant to claim that the government should forgo a 1½c increase on petroleum products that came into force at the beginning of this year.
However, I notice that when the Australian Labor Party were in office between 1983 and 1996 they raised the amount of excise they collected on a litre of petrol from 6c in 1983 to 36c when they went out of office—a total increase over that period of 600 per cent. In that period there were 28 adjustments to the level of excise. It was a pure fundraiser for government—nothing else. Yet the Leader of the Opposition is silent on what is the policy of the Australian Labor Party on fuel excise. They have not indicated they are going to roll that back. They have not indicated that they are going to support the government in dispensing with indexation, because that has been the government’s decision.

Not only has the government chosen to forgo the 1½c increase in December; it has also chosen to forgo indexation. That is a large cost to the government. I acknowledge that it is a benefit to the community, but it is a benefit that can be short lived, as we have seen in the last few days, because of the fluctuations in the value of the Australian dollar and the carrying on of OPEC. OPEC’s efforts to maintain their level of income from oil can put to one side overnight any shifts in excise. The cumulative impact of indexation is significant but, on a six-month to six-month basis—except if there is a high inflation regime—it is not so large. I am pleased that the government has made this decision. There is no room for anybody to argue that it is government policy that is affecting fuel prices in Australia from now on. It will be the role of OPEC or the fluctuations of currencies which will affect the price of petrol in Australia today.

As we enter this debate on what is a fairly narrow topic, the Australian Labor Party has chosen to broaden the debate. It wants to talk about the excise on fuel. To me, that is pretty hypocritical. This government has listened to the community and has taken the step of saying, ‘We have heard your concerns. We have heard that, for people living in the outer fringes of the cities, like in western Sydney, where they use their motor cars to get to and from work, and for those who live in country areas who need to travel long distances to shop or to receive medical attention, the cost of transportation is high.’ The government has heard that. The government has realised that the community does not want to have that cost factor built in.

The government is going to have to make decisions in the budget as to whether the budget can be as generous as it first proposed, but it has chosen to do this, and I think rightly. I applaud the Prime Minister and the government for saying, ‘We are going to forgo the 1½c and indexation.’ We are debating this topic today in an environment where the states of Australia, except Queensland—and that was under a Borbidge government—have said, ‘We are not prepared to forgo our share of indexation.’ The House may remember that recently the High Court struck down the capacity of the states to raise an excise like tax on fuel. It was a tax of 8.3c a litre. The states were not given access, by the decision of the High Court, to that source of income any longer. The states, in an agreement with the Commonwealth, said to the Commonwealth, ‘We need that money. Would you collect it for us?’

When the Treasurer of New South Wales, I think in a high state of sophistry, says, ‘We do not collect any excise on petrol,’ he is accurate in the precision of the words he uses, but he is inaccurate in what he implies. He implies that the state of New South Wales receives no funds from petrol. The fact is the state of New South Wales, via the federal government, receives 8.3c a litre on the fuel. That explains to the residents of New South Wales why fuel prices are so much lower in the state of Queensland than in the state of New South Wales. The Queensland government chose to give back that 8.3c to its motorists. The state of New South Wales wants it all. It has got it all, but it refuses to admit that it is receiving, by processes of the federal government, that 8.3c a litre collected from every litre of fuel.

To put it fairly bluntly, the state of New South Wales has a choice at this moment. It has a choice of giving a tax cut of 8.3c a litre, as the Queensland government did, or of sticking with that money and saying, ‘We do
not really know where it comes from. We want it, but we do not know where it comes from.’ That is absolute hypocrisy. The advantage that gives to the residents of Queensland will not go unnoticed by residents of New South Wales, and the continuing migration of people north will continue. The statement by the Treasurer of New South Wales, Mr Egan, that he does not collect excise on petrol seeks to mislead and obscure the fact that he is collecting from the New South Wales motorist.

The Commonwealth has done what it should do. It has listened and acted on fuel prices and it has acted on the indexation of fuel. It has also put in place the prospect of limiting the wild fluctuations of fuel prices at the retail level, which are a complete frustration to motorists. Motorists consider that these fluctuations are part of a manipulation process undertaken by the oil companies to maintain a high income. They do not relate it to anything to do with the cost of fuel; they do not relate it to profitability; they relate it to manipulation. It is incomprehensible that one service station can vary its prices by as much as 10c or more in a single day and still claim that it is a part of a rational system. So motorists are angry, annoyed and frustrated by the activities of the oil companies. I do not blame the service station proprietors—they are very much captive of the oil companies and what they tell them to charge. It is a fight for market share and it is a game played at the expense of service station proprietors and motorists. The decision by the government to limit the range of movement in prices and to investigate the way that should be done is a very welcome decision by the federal government.

Regarding the bill itself, this is a process where I personally cautioned the Assistant Treasurer about the decision to remove the collection of excise from the Chief Executive Officer of Customs to the Commissioner of Taxation. In order to do that, it is necessary for the ATO to have the same powers of search and of seizure of material and evidence as the Customs officers currently have. I do not know that I would like to see the Australian Taxation Office with the powers of the inland revenue authorities in, particularly, the United States, or in Britain for that matter. One can think of situations where there has been abuse of power by the American authorities. So my caution to the Assistant Treasurer has been that the forfeiture of goods and the capacity to search and gather evidence should be used with a great deal of care by the ATO.

Senator Kemp has assured the parliament and me about the way that those powers will be exercised by officers of the Australian Taxation Office. It is interesting that the bill also notes that the forfeiture of goods seized by police officers will be dealt with in the same way as goods forfeited by authorised excise officers. I think that is a proper process. It means that the police of each state have the same powers to enter where necessary and seize evidence and goods. The other provisions in the bill are mainly processes that are needed to bring about corrections or make changes that have become obvious with the passage of time. They are unremarkable, except that the general administration of excise legislation and of the diesel fuel rebate have been transferred from the Chief Executive Officer of Customs to the Commissioner of Taxation. That occurred by an administrative order in 1998, so this bill brings that into some sort of harmony.

I conclude my remarks by indicating that I am pleased that the government has made these decisions on fuel. If the community listen to the ragbag bunch of ideas stitched together by the Australian Labor Party, they are crazy, because there are no policies. There is nothing but rhetoric and a record of a 600 per cent increase in the grab from excise. Paul Keating and Kim Beazley had their hands in motorists’ pockets for 13 years and every year they made it worse not only by indexation but by changes which set out to raise revenue to balance the budget from time to time. It was a complete abuse of the process. Those who are honest enough in the Australian Labor Party will admit it. They will not admit it here, because it suits their argument to quibble about 1½c, which was based on their legislation.
Ms HOARE (Charlton) (4.35 p.m.)—I rise to speak on the Taxation Laws Amendment (Excise Arrangements) Bill 2000. The purpose of this bill is primarily to codify the transfer of the excise function at Customs to the Australian Taxation Office. This follows the physical transfer of this function that began in 1999. It will amend the Excise Act 1901 and the Customs Act 1901 and will repeal redundant provisions of the Distillation Act 1901 and the Spirits Act 1906. It will also make some minor consequential amendments to the Coal Excise Act 1949, the Customs Administration Act 1985, the Excise Tariff Act 1921, the Fuel (Penalty Surcharges) Administration Act 1997 and the Tax Administration Act 1953. Specifically, the bill will transfer the responsibility for the administration of excise legislation from the CEO of Customs to the Commissioner of Taxation. Mr Carmody has been acting in this role for over a year already. It will formally extend the confidentiality that currently applies to taxation matters to excise matters; it will incorporate in the Excise Act the powers of officers that are currently conferred by the Customs Act for excise purposes; and it will require forfeited goods seized by police officers to be dealt with in the same way as forfeited goods seized by officers exercising powers for excise purposes.

On 21 October 1998, a new administrative arrangements order resulted in the transfer of the excise function from Customs to the ATO. Responsibility for the excise function was taken over by the ATO with effect from 1 February 1999. The change involved about 300 people and resulted in the formation of the excise business line within the ATO. The excise function comprises the collection of excise duty, locally manufactured tobacco, alcohol, petroleum products, concessional duty arrangements, under-bond movements of excise products and the diesel fuel rebate scheme.

The second reading speech of the Minister for Financial Services and Regulation for this bill indicated the rationale for the change behind the bill by saying:... it is appropriate that the administration of excise laws be integrated with that of other taxation laws.

This amendment bill also clarifies the search and seizure powers of the ATO officers. Since 1999, ATO officers, under the delegation of the CEO of Customs, have had these investigative powers for excise matters. However, I hold similar concerns to those expressed by the member for Mitchell. I always have concerns when these types of powers are transferred to those who have not previously held them. They may be transferred to those who may not be suitably trained or experienced, and I would trust that the government would put in place measures to ensure that training and experience accompanies the transfer of powers from Customs to the ATO.

The technical amendments which need to be made to facilitate the new arrangements, whereby the Australian Commissioner of Taxation is responsible for the general administration of the Excise Act 1901 rather than the CEO of Customs, are detailed in schedule 2 of this bill. Schedule 3 transfers administration of the Diesel Fuel Rebate Scheme from Customs to the Australian Commissioner of Taxation. At present, ATO officers administer the scheme under delegation from the CEO of Customs. The Diesel Fuel Rebate Scheme provides rebates of excise or customs duty on diesel fuel purchased for specific off-road uses. The bill also contains minor amendments to other customs, excise and taxation legislation.

In March last year, the Assistant Treasurer belatedly introduced changes in customs and excise arrangements following a large fuel substitution racket, during which tens of millions of dollars were lost in excise duty, engines were damaged and public health was put at risk. The racket involved 20 million litres of toluene being imported into Australia over four months—that is more than the paint industry uses in a year—and then being substituted as fuel. It is about time this government put into place a practical regime to fully police and investigate any indication of fuel substitution, and it is about time that the government, while they are codifying the
transfer of functions from Customs to the ATO, ensure adequate funding to enable the ATO to fully carry out its now codified powers.

I would like to give my support for the amendment to the second reading of this bill moved by the member for Hotham earlier this morning and, in particular, those areas condemning the government for:

- failing to listen to the community concerning the GST impact on excise levels;
- opposing Labor’s private member’s bill giving a fuel excise cut to motorists yet allowing a Government backbencher to introduce his own private member’s bill that would tear up the Intergovernmental Agreement signed with the States;
- belatedly reducing only a portion of its GST fuel excise windfall merely because it is in a state of panic because of the upcoming Ryan by-election ...

On the front page of today’s *Australian* is the headline ‘PM blames bank chiefs for slump’. We have seen other headlines over the past few months: ‘PM blames OPEC for petrol prices at the bowser’, ‘PM blames focus groups for BAS complications’ and ‘PM blames slowdown on consumer spending prior to the introduction of the GST’. Nevertheless, the Prime Minister and the Treasurer do not blame the GST for the first contraction of the economy in a decade. The Labor Party and the Australian people are asking the question: when will this Prime Minister and this Treasurer take the blame for their mismanagement of the Australian economy? They are at the helm. They are steering this boat. They are asleep at the wheel and they have veered off course and they can no longer avoid the blame. The Prime Minister and the Treasurer have mismanaged our economy. The Prime Minister stood for the GST and stood for the GST only—nothing else. The GST was his great vision—nothing else. He railroaded the GST through and the GST is now at the core of the government’s problems. This is the GST that the Prime Minister said Australia would never, ever have.

I would like to look at how he railroaded this GST through. We had a huge advertising campaign, members would remember, prior to the 1998 election. That election and the advertising campaign were held during a period of school holidays and football finals, during a period when it was very difficult for the Labor opposition to make inroads in the media coverage to point out the discrepancies and the problems that this GST would cause. During this time the Prime Minister also distributed to every single household in Australia a booklet explaining all about the new tax system. In this booklet he talked about the compensation which was going to apply to pensioners who were going to be disadvantaged by the introduction of the GST. Nowhere in this booklet that was distributed prior to the 1998 election did the Prime Minister mention clawback.

We also need to remember that less than 49 per cent of the Australian people voted for the GST at that election. And the Prime Minister then claimed a mandate. He was deceptive throughout the process of the botched implementation of the Howard-Costello goods and services tax: he said that his government would reduce business paperwork by half, that petrol prices would not rise as a result of the GST, that all pensioners would receive a $1,000 savings bonus and that social security recipients would be compensated for the GST. The Prime Minister did not say that his government would claw that compensation back.

The Prime Minister said that beer prices would not rise by more than 1.9 per cent. The Treasurer doubled the excise and then blamed the GST. The Prime Minister said that the only people worse off under the goods and services tax would be tax cheats. However, all of this tax burden—that is, the increased petrol prices, the increased price of beer, the increased red tape for small business, the increased number of tax collectors, the increased cost of living and the decrease in the standard of living—is being borne by everyday ordinary Australians. Those tax cheats who abuse family trusts and trust arrangements continue to be let off by this government.
This government, led by the Prime Minister, have been accusing Labor of being policy lazy while they have been pinching our policies at every available moment. Each time we roll out a roll-back, they rebadge it and roll over. They have done it with petrol and they have done it with the business activity statement. We call on the government to also roll back the GST on rent paid by mobile home and caravan park residents, and we urge the government to roll back the goods and services tax on women’s sanitary products. The Prime Minister could announce that today. Today is International Women’s Day. The Prime Minister should come into this place and say, ‘On this significant day we will listen to the women of Australia and we will roll back the GST on sanitary products.’ I do not think we will see that happening today.

This bill we are debating and the amendment we have moved highlight the economic mismanagement by this government. In the rest of the world economy there is growth, and the Australian economy is going backwards. The Australian economy is in decline, and the causes are all home grown. The GST has been a demolition ball on the Australian economy. It has slugged petrol prices. It has slugged the construction industry. It has slugged Australian investment. It has slugged ordinary Australians. It has slugged the Australian dollar and it has slugged small business. Now we have a government in panic mode, and we have a Prime Minister with no vision. We have a Prime Minister saying that the next budget will be in surplus. We have his Treasurer saying that it should be a balanced budget. We have some government backbenchers saying that the budget will be in the red. Make no mistake: the contraction of the Australian economy is a bad thing. On 8 December last year the Prime Minister said: Downturn is too strong, I say a moderate slowdown and that’s to be expected and is no bad thing.

However, what has happened is that the economy has not just turned down, it has gone backwards, and most agree that is a bad thing. The Treasurer said on 30 June 1995:

A nation’s currency is a mark of how strong 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.

When that comment was made, the Australian dollar was just under US71c. The dollar is currently languishing at record lows, just above US50c, and ordinary Australians will be slugged further. This morning the Newcastle Herald published an edited letter to the Prime Minister from a Newcastle wage earner. In conclusion, I would like to quote from that letter. She writes:

Dear Prime Minister,

I am writing this letter to you from a place of deep concern for my own standard of living and that of hundreds of thousands of ordinary, wage-earning Australians and their families.

In the last year I have noticed increasing prices on a wide range of goods including food, fuel, clothing, footwear, communications and household goods.

Just this afternoon I went to purchase unleaded fuel for my motor car and the local price today is 99.99c/litre ...

This was written before the cut in fuel exercise, but the price would be back at that level again today. She continues:

I have had no choice but to bear increase after increase in living expenses. I understand that business must pass on their increased overheads. ...

Ordinary Australians are hurting financially and that is being reflected in the business sector. The only real differences are that business has somewhere to pass on increased expenses and they benefit from the actions of lobby groups and associations that bring their collective concerns to the attention of governments.

Unfortunately the majority of Australians do not have such advantages.

My income, like that of many thousands of other Australians, with the exception of the income tax concessions afforded every Australian taxpayer from July 1, 2000, remains unchanged. There is no sight, not even a whisper of proportionate wage rises to offset the added expenses inflicted.
Middle to low income earners are hurting, are frustrated and are seeking answers. As this is an election year, it seems timely for government and parties aspiring for election to consider ways that they could address issues of importance to the majority of Australians before the threat of a serious economic recession becomes a reality.

I am disillusioned with government in this term. It seems to me that promise after promise has been broken, people misled and that there has been little if any regard for ‘Family Values’ and the cost of living.

This is how Western Australians felt, and they voted Labor. This is how Queenslanders felt, and they voted Labor. This is how ordinary Australians right across the country feel, and that is why they will vote Labor.

Mr SNOWDON (Northern Territory) (4.52 p.m.)—I am pleased to be able to contribute to the debate on the Taxation Laws Amendment (Excise Arrangements) Bill 2000 for a number of reasons, not the least of which is not quite to crow that ‘I told you so’ but to go back to statements about the impact of the GST on the Northern Territory which I made two years ago and which the then Northern Territory Chief Minister and, subsequently, President of the Australian Liberal Party made. In particular, I want to support the opposition’s amendment. The opposition’s amendment says:

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) failing to listen to the community concerning the GST impact on excise levels,
(2) opposing Labor’s private member’s bill giving a fuel excise cut to motorists yet allowing a Government backbencher to introduce his own private member’s bill that would tear up the Intergovernmental Agreement signed with the States;
(3) belatedly reducing only a portion of its GST fuel excise windfall merely because it is in a state of panic because of the upcoming Ryan by-election, and
(4) its poor administration of the excise regime.

The Northern Territory, as with the rest of Australia, has been burdened with a GST on fuel for eight months. In that time, my office has monitored fuel prices not only in the regional centres of Darwin, Alice Springs, Katherine and Tennant Creek, along the Stuart Highway, but also in the remote communities hundreds of kilometres from these centres. These communities range from Docker River, a few kilometres from the Western Australian border in the south-west corner of the Northern Territory, to the island communities scattered around the Top End coast, including Nguiu, Croker and Groote Eylandt. From day one of the introduction of the GST, 1 July 2000, the tax on fuel in each of these communities has increased. We are not talking about price increases due to world oil prices; we are talking about a tax on a tax. We are talking about the amount of tax paid on a litre of fuel.

Before I outline the detail of these tax hikes due to the GST and demonstrate yet again how regional Australians living in some of the most isolated and neglected parts of this country pay the most tax on fuel, I want to draw to the attention of members some comments that were made by Senator Grant Tambling, the CLP senator for the Northern Territory. A week before the introduction of the GST, 1 July 2000, the tax on fuel in each of these communities has increased. We are not talking about price increases due to world oil prices; we are talking about a tax on a tax. We are talking about the amount of tax paid on a litre of fuel.

What Senator Tambling had to say was this:

The official calculations are that there won’t be any effects caused by the GST.

Mr Brash challenged this assertion by pointing out, for example, that the price of fuel in Barrow Creek, a roadhouse on the Stuart Highway between Alice Springs and Tennant Creek, would have a GST spike. Senator Tambling was interviewed by the ABC in Alice Springs. The interviewer, Stuart Brash, pointed out the impact of the GST on fuel prices. What Senator Tambling had to say was this:

The official calculations are that there won’t be any effects caused by the GST.

Senator Tambling shot back:

The overall effect in the Northern Territory is that we are being treated exactly the same as everywhere in Australia. We are getting the best advantage we possibly can.

Whooppee! When pressed on the issue, Senator Tambling said:
I would say we have to wait and see because there are many factors involved in it. I am saying that prices won’t go up as a result of the GST.

Ha! What folly! When further pressed, the senator urged Mr Brash not to get semantic and to look at where the majority live. Senator Tambling said that 99.9 per cent of the market would not be affected. We have waited. It is now March 2001, and what do we find? Something that I have raised in this parliament on a number of occasions. Motorists that live in Darwin are paying a GST spike of 3c a litre on every litre of fuel. This is the principal city of the Northern Territory, where a large number of Senator Tambling’s 99.9 per cent of the market live.

But wait—as the Demtel salesman says there’s more. What about the people that live down the track? In Alice Springs on Saturday, after prices had been adjusted to account for the new excise, Mr Howard’s belated relief measure, the price for a litre of unleaded fuel was $1.084 a litre. Of this, 47.9c was tax. Prior to the introduction of the GST, the fuel tax was 44.137c a litre. You do not have to be Einstein to understand—even Senator Tambling ought to be able to work it out—the additional tax paid on fuel in Alice Springs as a direct result of the GST. But we can go even further. I have a chart here, which I am happy to show you, Mr Deputy Speaker. The chart examines the fuel prices in a number of communities in the Northern Territory. At the Shell Larapinta in Alice Springs, the fuel price currently is $1.079 a litre. The extra tax is 3.8c a litre. In Tea Tree, which is a couple of hundred kilometres up the track from Alice Springs, the price of fuel is $1.256 a litre. The extra GST component of that is 5.4c. So the further away you live, the more the price goes up and the more GST you pay. The more remote your community, the higher the prices are and the more GST you pay. Of course, these people are the poorest Australians, and I have said this many times in this place. You do not have to be too smart to graph the curve. If you live in Curtin Springs, which is on the road to Uluru, you are paying $1.27 a litre and 5.5c in extra GST. At Hermannsburg—not far away; it is about 90 kilometres from Alice Springs—you are paying $1.15 a litre. The extra GST component of that is 4.46c. At Daly Waters, the price of petrol is $1.22. These are just roadhouses and small towns up and down the Stuart Highway.

Mr Martin Ferguson—What about Rabbit Flat?

Mr SNOWDON—We have got something else—5.9c a litre. Let us examine a really difficult community in the sense of price, an Aboriginal community which I have mentioned in this place before: Nguiu, Bathurst Island. The current price of fuel on Bathurst Island is $1.80 a litre. These people pay John Howard GST of 10.37c a litre. I am not sure what the price of fuel is for the good burghers of Bennelong today, but let us assume it is in the vicinity of 90c a litre. They will be paying as a GST 2.18c a litre. So—listen to me, Mr Howard—the blue bloods in Bennelong pay tax to you of 2.18c a litre; the people on Nguiu, some of the poorest people in Australia, pay on every litre of fuel to you 10.37c a litre. That is not fair, reasonable or just.

Some time ago I raised this issue. I asked a question of the Prime Minister in this place about the price of fuel. He evaded the answer, did not respond and was not prepared to acknowledge the argument that the most remote Australians would pay the highest tax. But the people of the Northern Territory are not silly, nor are the editors of the Northern Territory News, because a day or so later they produced this headline: ‘We pay the highest petrol tax’. You will recall that, Mr Deputy Speaker, because when I flashed it around in this place, to the great embarrassment of the Prime Minister, the Speaker asked me to put it down. Why? Because it says that we pay the highest tax in Australia, nothing but the truth—condemned by the Prime Minister, pilloried by the Prime Minister, pilloried by the Treasurer, pilloried by the CLP in the Northern Territory for telling the truth, that the most disadvantaged people in Australia pay the highest tax as a result of the GST. The poorest people in Australia pay the highest tax as a result of the GST. No wonder the chickens are coming home to
roost, and I hope they roost next week in Ryan. You could go to any of the dozens of communities around the Northern Territory and see the same thing.

We were told a number of things about the price of fuel. We were even told in 1998 by the whiz-kid of the Northern Territory, the then Chief Minister and now President of the Australian Liberal Party, that the price of fuel would actually fall by 7c a litre. He told the citizens of the Northern Territory this was so because he had had a private briefing from the Prime Minister. What sort of nut-case is he to expect the community to believe that as a result of the GST the price of fuel would fall by 7c a litre? You might be able to fool some of the people some of the time but, as this government is finding out, you cannot fool all of the people all of the time. What we are seeing currently as we debate these issues is a very severe reprimand being delivered to the government for telling the community lies, for lying to the people of Australia prior to the last election about the magnificent impact of this GST.

The corollary, of course, with the question of GST on fuel was what the impact would be on freight. We were told that the people in rural Australia could expect lower freight costs as a result of the reduction in fuel prices—another lie. Who is responsible for these lies? The Prime Minister and the Treasurer. They are on the public record. The citizens of the Northern Territory understand what the impact has been. We had some fairly significant contributions from the leading intellectuals in the Northern Territory government about what the impact of the GST would be, and one of those leading intellectuals was the NT Treasurer, Mike Reed.

Mr Martin Ferguson—He’s a real intellectual giant!

Mr Snowdon—You’re right: he’s an intellectual giant! He said about the GST package:

With the expected boost to the economy of the package, construction activity is expected to be better of, at least in the medium term.

We waited to see what would happen with Senator Tambling’s fuel prices and the claims being made by the Prime Minister. And, I might say, the former Leader of the National Party strode into Alice Springs with his akubra on, flashing the big grin, saying, ‘Fuel prices won’t rise.’ Ha, ha, ha! Thank God we are not all lunatics. The community understood very quickly they were being led up the garden path by just another National Party clown. The reality is that, with the new tax package, construction in the Northern Territory is struggling, far worse than the rest of Australia, which is also struggling. We have seen that writ large over the last few weeks. To prove the point, one has only to look at new building approvals for residential dwellings in the Northern Territory. In January the trend number of approvals was down a significant 70.5 per cent from a year earlier. This compares with a national decrease of 39.5 per cent.

We were told by this great economic guru, the Northern Territory Treasurer, that the GST would have no significant negative impacts on the Northern Territory economy. What we have seen—and I said this prior to the last election—is the construction industry hit hard. I was only repeating in a sense words which were being mouthed by the Housing Industry Association. They knew what the impact of this would be. Yet when we raised these issues with the government, when we raised these issues in the Northern Territory with the CLP, the Chief Minister, the Northern Territory Treasurer, the CLP senator, we were told, ‘No, it won’t have that negative impact on the Northern Territory economy.’ Well, it has. If it has mugged the rest of the Australian economy, the Darwin economy is almost comatose. It is almost comatose because of the GST. You ask any small business man in the Darwin community what the impact of the GST has been on their lives, ask those people who are losing their jobs. Significantly, unemployment in the Northern Territory is rising more rapidly than elsewhere in Australia. Why is that? It is because of the impact of the GST.

Just to demonstrate, the ABS labour force survey for February showed that the Territory’s unemployment rate is 6.5 per cent—that is two percentage points above what it was in January last year. That is a direct
in January last year. That is a direct result of the GST. Traditionally the Northern Territory economy has had very low unemployment rates, particularly in urban areas. The construction industry had been going gangbusters. It has now fallen in a heap. What we are seeing now are businesses, small and large, finding it very difficult to survive. Yet we have continued to hear coming from this government no tinge of regret about that. Let us again understand that this is not just in the area of fuel and housing. We have also had the roll-back on the issue of the BAS by the government. A month ago in the *Central Australian Advocate* in Alice Springs a local businesswoman running a caravan hire business was quoted as saying, ‘The GST will break me; this week I’m waiting for my BAS cheque so I can pay the rent.’

Who is responsible for this? Who was the person who went running around the country over the last two years, prior to the last election, saying that the GST would not have a negative effect—it would not impact upon communities, it would not cause a rise in unemployment, it would not cause a slowdown in the building and construction industry? Who did this? The Prime Minister, the Treasurer, the finance spokesperson, the Northern Territory Chief Minister and the Northern Territory Treasurer. We know what the impact has been. As a direct result of this GST, people are suffering, and they are suffering when they need not have. Because of the ideological predilections of the Prime Minister, the Treasurer and the government, people are suffering. It is no wonder that retribution is being brought down on coalition governments at election after election. I only hope that things continue along that path.

I have here a transcript from only yesterday of an interview conducted by radio journalist, Michael Carlton, with the Prime Minister, which I think demonstrates where the Prime Minister is currently at in terms of what his policies are. It reads as follows:

Carlton: Does it mean then that you are going to pull back from some other of your more cherished reforms like selling off the rest of Telstra—

an important issue, I might say, Mr Deputy Speaker Nehl, for the people in your electorate, as it is for the people in my electorate. Mike Carlton continues:

Is that off the agenda now?

Howard: Well, our position on Telstra, Mike, is as I’ve constantly described it. And that is that, um, it, you know, it is, um, it is, um, it is, um, as we’ve constantly described it.

This is the Prime Minister of the country! The interview continues:

Carlton: Which is?

Howard: And that is that first we’ve got to get it fixed, in other words, um, um, er, we’ve got to get it fixed, um, um, er, the services and everything in the bush before moving on.

I ask you! What we are seeing is crisis, what we are seeing is panic, what we are seeing is irresponsible leadership, what we are seeing is the wheels falling off the government and what we are seeing is an absolute lack of leadership—a vacuum in leadership. We have the catcalling going on between the Treasurer and the Prime Minister about what the budget is going to look like. We know what the budget is going to look like. And I know what the people in the Northern Territory think about their prospects under this budget, just as I know what they think about the impact of the GST on them and their families. I say to the Prime Minister and the government: do not be surprised at the reaction you get when you walk into the community to discuss the GST, because its impact has not been what you said it would be. It has been extremely negative. It has hurt Australians of every walk of life and from every region. *(Time expired)*

**Mr Murphy** (Lowe) *(5.12 p.m.)*—The Bills Digest No. 88 of 2000-01 states that the purpose of the Taxation Laws Amendment (Excise Arrangements) Bill 2000 is ‘to amend excise, customs and taxation legislation to give statutory recognition to the 1998-99 administrative changes that transferred the excise function of the Australian Customs Service to the Australian Taxation Office’. It is important to understand the history of this bill. I speak having a good awareness of the work of the ACS. The nature of my
job during the time I worked with the Public Service and Merit Protection Commission often brought me into contact with officers of the Australian Customs Service. I am deeply concerned about the direction of this government in terms of the function of revenue collection and collection of duties for goods that enter or exit Australia’s borders. I am particularly concerned about the demonstrated direction this government is taking in seeking to maximise profit at whatever expense to the fundamental duties the Commonwealth has towards the protection of its citizens.

What are those duties to which I refer? The staff of the ACS have a number of statutory functions where they act in agency for other government agencies. They are responsible for the collection of duties and excise; they physically administer border control of people and goods movements; they administer border control of Commonwealth environmental protection legislation, including the fulfilment of Australia’s international obligations in various protocols and conventions relating to the prohibited import of proscribed goods, such as wildlife; they administer border control of medical goods, weapons, proscribed publications and other goods, including dangerous goods; and they are a critically important element in implementing Australia’s border protection in the case of migration, and act as agency for the Department of Immigration and Multicultural Affairs. These are but some of the functions of the ACS. The level of skill that ACS officers require and the training they undertake is equivalent to that of police. They have specialised fraud, drug and other units and they participate in intelligence operations and work closely with other law enforcement agencies, such as the Australian Federal Police and state police agencies.

I raise this because the issue of excise is essentially a border management issue. It is not solely a revenue issue. To place this function in the hands of the Australian Taxation Office is a bloody-minded and shortsighted cost-cutting exercise by the government. So what is the basis of this allegation? The basis lies in the skills necessary for the adequate administration of excise collection in Australia. A fully trained Customs officer carries more expensive overheads than a taxation officer. It is well known that the ACS is the second largest revenue earner for the Commonwealth government, second only to income tax. Excise raises in the order of $6 billion per year to Commonwealth consolidated revenue.

In this government’s wisdom, they have seen fit to consider the collection of excise duties as just another form of revenue collection—in other words, they see only the dollars. What they have forgotten is that excise is a highly specialised form of revenue that has peculiarities that distinguish it from other forms of revenue such as income tax. The fundamental difference is that excise is a tax that trammels international borders. It requires officers with specialised training, and infrastructure and operational parameters in which to fulfil all the public responsibilities they are charged with. These parameters include having adequate legal and structural powers in which to enforce their powers in the collection of public revenues.

The two key excises are on tobacco and petrol. As this government is now well aware, these two commodities are highly contentious issues because of, in the case of petrol, price sensitivity and, in the case of tobacco, the associated health factors and its sale, use and taxation. The Howard government has seen fit to simply transfer the revenue collection function of the collection of moneys on excise without fully accommodating the powers, infrastructure and other changes necessary to maintain the current level of vigilance in these two industries. We call this analysis of devolution of powers ‘gap analysis’. Gap analysis looks at the loss of administrative powers, infrastructure and amenity that is necessary to accommodate the necessary public interest obligations that the ACS, as an agency for the government, is required to fulfil to the Australian public.

This administrative change is yet another example of the government adopting selective amnesia in their application of reductionist reasoning to describe excise duty
collection as merely a taxation function—which, in fact, it is not. It is much more than that, because it includes administrative issues of border protection, industry surveillance and, especially in the case of tobacco, criminal and health issues. Therefore, the government’s policies are fundamentally flawed in attempting to go to any lengths to reduce costs. In doing so, the government are compromising border protection and risking loss of revenues by handing over the ACS functions to the ATO, which is not fully competent in its newfound role to accept those other functions that were the responsibility of the ACS.

The ACS is a sadly neglected service in the Commonwealth Public Service. Indeed, this government has progressively whittled away the staffing and other financial commitments to the Australian Customs Service in its manifold functions. I must include in this observation the plight of the Australian Quarantine Service (AQIS) as I make these points. The Australian people are highly sensitive to the necessity for adequate border protection in an environment of increasing border violations. This bill is yet another example of this government breaking down the ACS and its statutory powers and responsibilities. In the process, it is making it harder and harder for the ACS to perform its several administrative responsibilities that include the critically important role of border protection. I urge the government to support and enhance the staffing of the ACS. The direction of this bill is seen to do much good, but actually does much evil.

I support the shadow Treasurer—I hope, soon to be, by the end of this year, Treasurer—in the foreshadowed amendment to this bill. He notes, firstly, that the Howard government has failed to acknowledge and act on community demands to forgo the February excise increase; secondly, that numerous coalition backbenchers have failed to act in the House in accordance with their public statements declaring their interest in seeing a reduction in fuel prices; and, thirdly, that the Howard government has comprehensively failed to keep its promise that petrol prices would not rise as a result of the GST. The shadow Treasurer then calls on the coalition members to vote with Labor to remove the February excise increase.

I now turn to the operational aspects of the excise itself and the impact of the goods and services tax on that excise. I refer to the interim report titled ‘Petrol price inquiry’—I have it with me in the chamber tonight—by the federal parliamentary Labor Party caucus committee dated 19 January 2001. The committee was chaired by Senator Peter Cook; and Dr Craig Emerson, Senator Sue Mackay, Joel Fitzgibbon, Senator Nick Sherry and David Cox all contributed to this very important document. The report explains:

The petrol excise increases automatically with inflation. The GST causes inflation. So the GST is causing excise to rise. And since the GST is 10 per cent on top of the excise, the rising excise is causing GST collections to go up. The GST and petrol excise are a vicious spiral of a tax on a tax, each making the other get bigger.

The report notes:

The excise has already been increased once since the introduction of the GST, at the automatic indexation adjustment of 0.675 cents per litre on 1 August 2000 ... The GST is then imposed on this 0.675 cent rise, causing the tax revenue to increase by 10 per cent to 0.74 cents per litre.

From the outset, I have questioned in this House the wisdom of the GST on one basic issue. That issue has been the fundamental one of what policy on revenue collection this government is going to pursue. To make it simple for the government, there are two choices: either you have a taxation system that is primarily based on direct taxation or you have a system that is primarily based on indirect taxation.

When the new taxation system amendments were announced, there were in the order of 40 amending pieces of legislation to make the administrative changes necessary to accommodate the new tax system into the existing legislative scheme. The member for Rankin, who sits immediately behind me, came in here on many occasions to show that the amendments just got thicker and thicker.

We all complained about the Income Tax Assessment Act and supporting legislation.
In revenue terms, that legislation is leaking like a sieve. In operational terms, the Income Tax Assessment Act is a 1948 parcel of legislation that has many difficulties. As a result, it is and remains a progressively decaying parcel of legislation requiring frequent amendment. Of more concern was the fact that revenue from that legislation was declining in line with cuts to administrative staff within the ATO itself, the introduction of self-assessment in order to cut costs, outright tax cuts and a general denial of administrative responsibilities on the part of the Treasurer to collect revenues.

The result was a drop in revenues and the government decided to shift the primary connection point from a direct taxation system, that is, income tax, to an indirect taxation system, that is, the GST. What they promised to implement was actually a substitution of a series of indirect taxes such as wholesale sales tax, fringe benefits tax and the like, with this goods and services tax. However, they kept the income tax regime largely intact. I believe this is a fatal error.

The fact is, the taxation burden of both direct and indirect taxation falls disproportionately on different segments of society. In short, the benefits of tax cuts in direct taxation are financially too small for low income earners for them to really enjoy the benefits of those cuts, whereas high income earners enjoy a financially lucrative tax cut windfall.

With indirect taxation, the incidence and burden of taxation fall on different persons. In the case of the GST, prior reports and warnings have been realised that low income earners pay a higher percentage of their disposable income on the GST as a tax than their high income counterparts. To put it bluntly, the effects of the GST have not been evenly distributed. The GST, being an indirect tax, is indiscriminate in who it impacts on. It affects us all.

Earlier today and in various prior speeches, I referred to the utilitarian principles that drive this government. I am in my third parliamentary year and, during this time, I have heard this government repeatedly berate the opposition for failing to make policies. Let me say that if this utilitarian ethic is what you call policy, then you are fooling yourselves. The impact of an ethic which parades a belief in the ‘greatest good for the greatest number’ or ‘what is most useful’ by destroying the means of an equitable distribution of income tax, thus affecting the weakest and most vulnerable, is criminal.

I seek leave to continue my remarks at a later date.

Leave granted; debate adjourned.

TRADE PRACTICES AMENDMENT BILL (No. 1) 2000

Consideration of Senate Message

Mr SPEAKER—I have received the following message from the Senate:

The Senate returns to the House of Representatives the bill for An Act to amend the Trade Practices Act 1974, and for related purposes, and acquaints the House that the Senate has agreed to the bill with the amendments indicated by the annexed schedule, in which amendments the Senate requests the concurrence of the House of Representatives.

Ordered that consideration of the message be made an order for the next sitting.

BILLS RETURNED FROM THE SENATE

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

Veterans’ Affairs Legislation Amendment (Application of Criminal Code) Bill 2000

Aircraft Noise Levy Collection Amendment Bill 2001

PIPER, MR DON

FRASER, MR BRADLEY

Mr SPEAKER (5.26 p.m.)—As I alluded to earlier today, I take this opportunity to inform the House of the impending retirement of Don Piper, Clerk Assistant (Table). Don will commence recreation leave in late March with a view to retiring toward the end of the financial year. This is his last sitting day, after close to 43 years of parliamentary service. Don’s significant contribution to the department and the House has been greatly valued by members and their staff.

Don Piper joined the Department of the House of Representatives in March 1958 and
served in a number of positions within the department, including as Private Secretary to the Speaker, before being appointed Serjeant-at-Arms in 1972. From September 1977 to November 1988, Don was Secretary to the Joint Standing Committee on the New Parliament House. This was a pivotal role during the design and construction period of the building, and in many ways the building which we now occupy is a permanent tribute to him. In 1989, Don was seconded to the ACT Legislative Assembly as acting Clerk, and he was promoted to Clerk Assistant (Table) in 1999. In that capacity he has played a major role in developing staff in one of the department’s core areas.

Don has been an outstanding servant of the parliament. His service has included beating the Senate at soccer and cricket and the ABC at rugby—on occasions being beaten by them. His preferred sport was hockey, in which he represented both the ACT and NSW, and, at masters level, Australia. Don is an excellent all-round sportsman.

In all his endeavours he has demonstrated great professional knowledge, wisdom, calmness and a highly developed sense of humour. All his colleagues and friends in the department will sorely miss him. Congratulations, Don, on a job well done. All members past and present thank you for your significant contribution over these past 43 years and for the support Pam has provided throughout that time. We extend our best wishes to you, Pam and your family for the future.

I also take this opportunity, prevented by events in the House on 8 February, to advise the House of the retirement on 16 February of Mr Fraser Bradley from his senior management position in the Joint House Department. Fraser joined the parliamentary service in 1979. His early work was concerned with the planning and conceptual development of this building. Following that, he occupied management positions in all the major areas of the Joint House Department which provide key administrative support services to members, senators and all occupants of this building. Fraser’s management skills were obvious to all, and he made a particularly strong contribution to the work of the Joint House Committee and, through it, to the parliament.

On behalf of the House, if a little belatedly, I extend to Fraser Bradley our thanks for his service and our best wishes to him and his wife Noeline on their retirement.

Mr RONALDSON (Ballarat) (5.29 p.m.)—With your indulgence, Mr Speaker, I would like to join you and echo your sentiments in relation to Don Piper. I see the Leader of the House is here. I speak on behalf of those who have been sitting to Don’s right, indeed sometimes on his left as well, over a large number of years. Don Piper is a thorough gentleman, Mr Speaker—I do not need to convince you of that. He is an articulate, highly professional officer of this parliament, who has given quick and good advice whenever it has been asked for. Don, you have many, many friends in the coalition. On behalf of all my colleagues I wish you well in your retirement. I will be doing the same thing fairly shortly but, unlike you, I will be working full time while you will be enjoying yourself. On behalf of all of us, thank you most sincerely, and our very best wishes for the future.

Consideration interrupted; adjournment proposed and negatived.

Mr LEO McLAY (Watson) (5.30 p.m.)—Mr Speaker, I join with you and the government in wishing Don Piper well in his retirement. I was nearly tempted to get up and wish the Chief Government Whip well in his retirement. I was nearly tempted to get up and wish the Chief Government Whip well in his retirement, but I will save that until a later date. I have known Don for a lot of the years that I have been here—and he has been here longer than that, so that worries me!

Mr Martin Ferguson—And you’re staying.

Mr LEO McLAY—That worries others even more.

Mr Reith—Doesn’t worry anybody.

Mr LEO McLAY—Pete, you won’t be here, so it won’t be your problem.
Mr SPEAKER—I think, on indulgence, we might focus the remarks on Mr Piper as appropriate.

Mr LEO McLEAY—They are the reasons why Don will be happy to retire, because on a Thursday afternoon, in future, he will not have to listen to this rubbish. Don, you are a person who has had a lot of different roles in the Department of the House of Representatives. You have worked in the Procedure Office. You have worked in nearly every section of the department, except the Clerk’s job, and if you had stayed around a little longer you might have got that! Some people used to say that when you were a bit younger you had a more expensive sports scholarship than they could offer at the AIS. You have done a job for the department well. You have served the parliament well and, as the Chief Government Whip said, you have done that in a very honest and bipartisan way. In the years I have worked with you I have always found you to be a reasonable fellow. There are not many other people in parliamentary departments that I have said that about.

Mr Martin Ferguson—That is saying a lot.

Mr LEO McLEAY—That is saying a lot, Don. We all wish you well in your retirement—a retirement you truly deserve. No longer will you be compelled to sit around on Thursday afternoons and listen to us—no doubt you will sit around some Thursday afternoons and listen, just for the sheer joy of the theatre of the place, et cetera, to the words of wisdom from the member for Flinders. That would even make me retire. Good on you, Don. Enjoy your retirement.

Mr REITH (Flinders—Leader of the House) (5.32 p.m.)—I rise to endorse the remarks made by others in respect of the work done by Fraser Bradley, and we wish him well. I also wish to endorse the remarks made to Don Piper in his retirement. Forty-three years is a very long period of service and I think it sets an example for others of a person who has been prepared to give a lifetime of service to the parliament. All of us enjoy our parliamentary life and the opportunity to make a contribution to the good governance of this country and those who serve the parliament in the many roles that Don has had do a great service and it should be recognised. On behalf of the government, and of course all members of the government, including the Prime Minister, I am pleased to be able to do so today.

It is of course a task which is often a behind-the-scenes task, and I bring with me as an example of the fact that Don Piper was a man behind the scenes, but never far from the action, an article from the Sunday Age of 15 October 2000 which has a famous photo of Sir David Smith, Gough Whitlam and there, marked at the back, is none other than Don Piper, then Serjeant-at-Arms. He was very much behind the scenes but, if my memory serves me right, occasionally he was brought further forward into the public profile than he might have wanted when he was running the committee responsible for the construction of the new Parliament House, which is perhaps where I think of him most in his many years here. That was obviously a huge task and the reputation that Don acquired in that period was that he was a good achiever. I hope in his retirement he thinks back on that as being one of the many things in which he was able to make a real difference. If you can make a real difference in the parliament it is, in my view, well worth doing. Don, you have made that difference and we congratulate you on wonderful service to the country.

Mr NEHL (Cowper) (5.35 p.m.)—For my part and on behalf of Mr Tim Fischer, the member for Farrer, I want to thank you, Don, very much for the great service you have given to the House over all of the years. We are very well aware of your ability, your courtesy and the integrity with which you exercised every avenue of the very important jobs you have done for this parliament. As Deputy Speaker for the last five years and as Chairman of the Selection Committee, I have had the opportunity for a significant part of that time of having your advice, assistance and guidance, and I thank you very much for all the help you gave me. It was very much appreciated. I think the whole parliament
appreciates the tremendous effort you put into making this place work smoothly.

ADJOURNMENT
Motion (by Mrs Gallus) proposed:
That the House do now adjourn.

Canberra Electorate: Women’s Achievements

Ms ELLIS (Canberra) (5.36 p.m.)—Today is international Women’s Day, a day to remind ourselves of how far we have come and how much is still to be done in addressing the needs and aspirations of women, of identifying the still existent discriminations and inequities. This day also allows us to celebrate great achievements by women. Today, I want to talk about women in my electorate who, in their own way, I believe, epitomise women’s contributions to family, to community and business, sometimes against the odds, and almost always not realising the extent of their contribution.

I would like to talk about Karen Realph, Margaret Kingsbury and Evelyn Scott, all of whom are mothers of people with Down syndrome. Kim Hansen and Kim Sampson are both mothers battling with the high additional costs of dealing with children and their lives when those children have disabilities. Helen Hall is the mother of a son now, happily, surviving cancer. Rachel Thurbon and Suzie Edwards are two wonderful local artists. Evol McLeod has opened the community to the arts at the Tuggeranong end of town through the Tuggeranong Community Arts Centre. Ursula Callus is a woman devoting most of her time to and producing miracle work on behalf of the ProMusica group, including the annual chamber music festival. Beth Read is a quilt maker who, I might add, is very proud because she has had one of her quilts purchased by the Parliament House art collection, and I am proud to have that hanging in my office. Ann Dash is a great example of a secondary principal in our school system. Elsie McDonald, the principal, and Myra Maestros both work at the Woden School, a school dealing with very special children. Cathy Spicer is a single mother who recently became a tertiary graduate. She is the mother of three children, one of whom has a disability. Maureen Caelli and Kath Bilderbeek are both fighters for the rights of people with disabilities, both with a wicked sense of humour and both with their own difficulties to deal with.

Joan Knowles is a member of the Chinese Australian Early Childhood Association in Mawson. Winnifred Rosser is president of the Friends of the National Museum. Rosemary Lissamore of the Tuggeranong Community Council is a woman who has through all efforts determined that that council will have a future and a say in the community. Betsy Gallagher for many years has been the director of Woden Community Service. June Foster is an organiser of the Erindale Friends of the Library, a mother of a woman with a disability, and a poet. Marlene Keltie has organised and continues to ensure the future of the Tuggeranong Neighbourhood Women’s Group. Wendy Stamp is the ACT coordinator of Adult Survivors of Child Abuse. Julie Bowles is a survivor of cancer and is current president of the National Council of Women in the ACT. Diana Johnston is past president of the Taylor Primary School P&C, is organiser of the Tuggeranong little athletics and runs the soccer shop for the local junior soccer club. Karen Binstead is a local scout leader and community worker.

Siobhan Paton: many of us know Siobhan through her Paralympics outstanding success, but what about her mother and her grandmother, who I am sure have been great guides for her. Sue Birks is secretary of the local Tuggeranong football club, an Aussie Rules club administered so well by her. Rebecca Minty is a young environmental activist. Kylie Scott and Caroline Brunner both participated in the international Down syndrome conference last year in Sydney. All the members of the Tuggeranong Seniors Cafe have fought so hard to include people in day care in their activities. Fofy Prouzos opened a business, the Lanyon Post Office, and is also a long-time community volunteer and worker.

Mr Speaker, I could go on for hours, but unfortunately I only have minutes. These
women are young, old, mothers, sisters, friends, carers, professional and retired—they are all of us. These women have many aspects to their lives as well as the achievements I have mentioned today. They are great role models for all of us and deserve recognition particularly in this place, and particularly on International Women’s Day. They are women we would not normally hear of who are out there doing their bit for their families and their communities as well as for themselves. I congratulate every one of them.

**Woodside Petroleum Ltd: Ownership**

Mrs MOYLAN (Pearce) (5.41 p.m.)—I rise tonight to speak in support of the large home-grown gas resource company Woodside. I have had quite a bit to say about it in the last month or so. Woodside employs something like 80,000 people both directly and indirectly, it spends $14 billion in Australia annually and Australian suppliers receive about $10 billion of this annually, so it is a pretty important company to many Australians. I know that, if the Royal Dutch Shell Co. succeeds in its bid, it will own about 60 per cent of Woodside, and that would give Shell control over the board of Woodside, with the risk that Woodside would no longer be the operator and the decision maker in decisions about the management of our North West Shelf gas and other resources that they have been exploring for in and around Australia.

I know that some, including one or two of my colleagues, think that there should be no interference by the government in this matter. But, if we wanted a laissez-faire system of enterprise in this country, one has to ask why we have the Foreign Investment Review Board. Some have also suggested to me that the stopping of this particular bid by the government would dampen enthusiasm for foreign investment. But it is interesting to note that in fact about 98 per cent of the proposals that go to the Foreign Investment Review Board are accepted. To highlight the role of foreign investment in Australia, I would like to quote the figures that do demonstrate that there is no slowdown in foreign investment in Australia and that it is very welcome and very important to our growth and development. The growth last year of foreign investment flowing into Australia was 19.2 per cent. It has reached a whopping $7.55 billion.

I think the people who are complaining about the possible interference by the government in this takeover bid are the hedge funds in New York, and one has to understand just a little about those hedge funds. These are people who invest in companies under threat of takeover, such as Woodside, and you have to ask whether they have the legitimate interests of the country or the company at heart, because they are people who borrow very big sums of money to buy into such ventures and they work on a quick take. As soon as the price moves up, and it does not have to move up very much, they take their money and run. They scour the world for these opportunities, and it is all about taking maximum profit and money out of these ventures. It is not about what is good for the country, it is not about what is good for shareholders and it is not about what is good for the company. I believe that this is a significant matter of national interest that ought to be debated by the people of Australia. There should be robust debate in the community, and that is not something to recoil from, because we have the collective wisdom out there of many folk in the community and it is an important resource in a healthy democracy, particularly when it comes to debating matters of national interest.

This is a decision that should not be led solely by the economic and business writers and gurus in this country, as good as they are. We have many fine business, investment and economic writers, but this debate has really been running in the financial pages of the daily press. I am determined to ensure that there is robust debate and that the men and women of Australia do have a say in what happens to one of the most strategically important resource companies that this country has—and that is true. My office has been besieged with calls from mums and dads, grandmothers, scientists and from all
sorts of highly qualified people. I have not yet had one call or one email from a person who has not agreed that we should keep Woodside in Australian control. That does not mean that we want to stop investment in Australia by foreign companies—far from it—but why should we give up control of one of our biggest resources companies, one of our most strategic interests, and give over control to a company like Royal Dutch Shell whose decisions will be made in the Hague, not in Australia?

**Workplace Relations: Central Queensland Miners Strike**

Ms LIVERMORE (Capricornia) (5.46 p.m.)—I take this opportunity to speak on behalf of the miners in Central Queensland who spent the last week on strike. Over the weekend, I had the chance to visit the picket lines at Saraji, Norwich Park and Peak Downs in my electorate. There are other mines in the Bowen Basin, including Gregory and Crinum mines, which are just outside my electorate. Minister Abbott carried on with the usual tirade against striking workers.

The miners I spoke to out there are very angry and disappointed at the misrepresentation of the dispute in the media and also in the parliament. They had heard about Minister Abbott’s response to a question last week where he carried on with his usual tirade against striking workers—workers who have the audacity to fight for fair wages and conditions and some security for their families. In his criticism, the minister seemed to forget that this was industrial action protected under his legislation in association with the negotiation of a new enterprise agreement. After talking to the miners last week and seeing what they have gone through in the last week, I had to wonder whether the minister has ever been to a picket line. You do not do it for fun—I can tell him that much. You do not stand around in 35-degree heat by the side of a road in the middle of the bush, and lose pay, for fun. Those miners and their families were there last week because they know that, if they want a future in the mining industry—and I am talking about a real future, not just picking up casual and contract jobs from site to site while their families live hundreds of kilometres away—they are going to have to fight for it. Let us get behind the spin and see what the miners are fighting for.

BHP and the government would have everyone think that it is all about money. We have heard all the old cliches about greedy workers. BHP has the advantage in this with its public relations executives to spin its lines to the media. The miners are definitely being misrepresented and I want to set the record straight. This dispute is about job security and the survival of mining communities. Talking about the pay issue, the minister last week used the figure of $90,000 for a miner’s annual salary. Last week, the miners laughed at that. The base rate for miners on a normal shift roster is $52,000 gross. To earn the kinds of figures the minister was talking about of $80,000 or $90,000, you would need to be working 300 to 400 hours of overtime per year. If I worked those hours of overtime, I would want to be paid as well. They also live in isolated mining towns, where everything costs more, and for the most simple services, let alone entertainment or luxury, you have to travel great distances.

Miners have therefore asked for a wage increase of 18 per cent over three years. This is against a backdrop of 50 per cent productivity gains over the last three years and 2,000 job losses in the industry as part of what the miners conceded in achieving those productivity gains. Coal prices have gone up and BHP recently announced a half-yearly profit of $1.4 billion, including a 46 per cent increase in the minerals division profits, and executive salaries like those of the CEO, Paul Anderson, of around $7 million. All of this has been on the back of enormous restraint and cooperation by BHP’s work force. It is called sharing the gain after bearing the pain. To any fair-minded person, the miners’ wage claim is not unreasonable.

As I said before, the heart of this dispute is not about wages. It is the strings attached to BHP’s wage offer, that is, allowing the unfettered use of contractors by BHP at its
mines. It is also about the complete lack of good faith the company has shown towards its work force and the communities of Central Queensland in the last few years. We have seen job losses and the promotion of a culture of insecurity, together with ever more casualisation of the industry and associated destruction of towns and families. Throughout the strike BHP has lamented the supposed cost to the economy of the stoppage in production. It is very hard to take BHP seriously about those kinds of claims when they announced the closure of two fully productive and profitable mines at Laleham and Kenmare near Blackwater at the end of last year, with the loss of 200 jobs. So when BHP says, ‘What is the strike doing to the economy?’ I say, ‘What is letting those mines fall into oblivion doing for the economy?’

BHP are trying to be the good guy in this dispute and they have their public relations spin doctors out there doing it. When you look at what is actually happening on the ground, BHP are far from a responsible victim in this. They are acting like absolute cowboys out on the coalfields—things like the president of the coal division, Rick Gazzard, wanting to ride the train through the picket line last Friday at the same time as the company was seeking an injunction against just that kind of behaviour. (Time expired)

Woodside Petroleum Ltd: Ownership

Mr ROSS CAMERON (Parramatta) (5.51 p.m.)—The member for Pearce, a colleague for whom I have enormous respect, has risen tonight in the adjournment to invite debate on the subject of the proposed merger of two great companies—Royal Dutch Shell and Woodside Petroleum. I propose to accept the invitation of the member for Pearce and to put an alternative view—a 180-degree opposite view to the one put by the member for Pearce—and I do so without any animosity or ill will but as an expression of the great traditions of democracy that revolve around freedom of speech and opinion in the broad church of the Liberal Party. I regard it as a strength that the two of us are presenting the electorate with the alternative sides of the same coin in this debate.

Woodside is a great Australian success story. Woodside’s exploration, ingenuity and willingness to take a risk have resulted in the establishment of the North West Shelf, which is a $40 billion enterprise responsible for two per cent of Australia’s total exports. The deal being put by Shell is a $10 billion offer to merge Shell’s current Australian assets with the company Woodside to ramp up Woodside into one of Australia’s top 10 companies. The debate is proceeding on the question of whether this proposed offer from Shell is in the national interest. I say without hesitation or equivocation that the Shell bid is in Australia’s national interest. This government ought to do nothing to molest the shareholders of Woodside in their private decision about whether or not to accept the offer.

I make a number of points in defence of my view. Firstly, Shell is not some fly-by-night speculative operator who is going to come in and out and take some short-term profit. Shell has been a corporate citizen in Australia for almost 100 years. It has been one of the two companies—the other being BHP—which have been primarily responsible for building the wealth and undergirding the success of Woodside. Shell has been a strategic partner of Woodside for 36 years and a significant shareholder for 24 years. This is not some fly-by-night operation. This is a sustained commitment to the development of Australia’s liquefied natural gas resources in the North West Shelf.

Shell has been an exemplary corporate citizen. I note, for example, that Shell Australia paid $3.5 billion in taxes and royalties to the Commonwealth and state governments of Australia in the past 12 months alone, making Shell one of the largest corporate taxpayers in Australian history. I note the fact that Shell employs 3,800 Australians. I also note the fact that 800 of them—400 direct Shell employees and 400 contractors—are employed in my electorate of Parramatta, giving 800 families in my electorate a breadwinner. Shell is, without dispute, the most expert extractor in the risky and dangerous business of liquefied natural gas of any company anywhere in the world. There are dozens of countries that would walk over
broken glass to have the benefit of the expertise of Shell in their particular marketplace.

I would also point out that in the costs and benefits of Australia’s engagement with the world, we cannot simply presume to take all the benefits without opening up our own markets to fair competition from elsewhere. There are 250 companies in my electorate of Parramatta that exist primarily for export. They are exploiting export opportunities in other countries because they are being given access to those markets. The governments of those 250 markets that companies in my electorate are penetrating are not turning around and saying, ‘You are eroding our sovereignty by providing top-class Australian expertise, goods and services.’ We have to believe in the capacity of Australians to stand on their own two feet and take on the world. I cannot have this government endorsing a negative, timid, protectionist approach that says that we have to be cloistered from the rest of the world. We can take them on and we can win. Shell ought to be welcomed to come and continue making their contribution in this country.

Women

Community Service: Volunteers

Ms JANN McFARLANE (Stirling) (5.56 p.m.)—Today is the 89th International Women’s Day and this year marks the Centenary of Federation. It is a long way since the turn of the century when women were treated differently from men, and indigenous people, I might add, were treated differently and extremely badly. I am fortunate to be one of the 122 Labor women in parliaments around Australia. I am one of the 26 women in the federal parliament—17 in the House of Representatives and nine in the Senate. The reason this is important is that I believe the parliament should reflect the community and the social mix. I find that women are very comfortable talking to women. Although some of my male colleagues are wonderful human beings, women are not always comfortable bringing up issues with them. At times I see myself as the means by which women can raise their voice in the parliament, particularly women in my electorate of Stirling. I am pleased that, 100 years after Federation and in this centenary year, the parliament does reflect the Australian social mix and women have a place in our society and in both houses of this place.

This year is also the International Year of Volunteers. I would like to acknowledge the volunteers—the women and men who give freely and generously of their time to this country and to their fellow Australians. I particularly acknowledge the volunteers involved with community service. As I have brought to the attention of the House previously, women comprise 85 per cent of volunteers, giving up their time to make life easier and better for their fellow Australians. As well, they make up 80 to 85 per cent of committees and boards of community services. This contribution needs to be acknowledged and affirmed in this place. In my electorate of Stirling, there are over 300 community groups providing services, volunteer effort, fundraising and other facilities to make life better for the people of Stirling, as well as in the surrounding areas.

I would like to bring to the attention of the House some concerns raised by women with me and my colleagues. They have concerns about government policy and how it is impacting on their life. It is women, I find, in the majority of cases who look after the family budget and household expenses. Some of the concerns raised by women include the impact of a GST. As a result of a GST, women’s sanitary products are now taxed for the first time in Australian history. Baby products, such as prams, nappies, baby capsules and breast pumps, are now subject to a GST. Small business operators, 35 per cent of whom are women, have the unnecessary burden of the business activity statement forcing them to work harder and longer for any return. Thousands of women will owe debts at the end of the financial year as a result of changes to family tax benefits where care is shared. Changes to the family tax benefits punish women returning to work after having a child. On 20 March, 100,000 families receiving family tax benefits will have their total entitlements cut.
I bring the voice of women, and particularly the women of Stirling, to the attention of the House. I ask the government to look seriously and carefully at its policies. Australian women and families—that includes men—are being affected by these policy changes. I wish everyone a happy International Women’s Day and I hope everyone has a peaceful time over the break.

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

House adjourned at 6.00 p.m.

NOTICES

The following notice was given:

Mrs Gash—to move:

That this House:

(1) recognises the 100th anniversary of the Australian Army;
(2) celebrates not just the peaks of each wave of activity as the Australian Army entered into various frays, but also the times in between when our personnel were ever at the ready;
(3) applauds not only those who joined the regular Army, but also those who volunteered or were conscripted at other times and who were prepared to do their duty for our great nation; and
(4) remembers the efforts of the thousands or millions of spouses, partners, girlfriends, boyfriends and families of those who served with the Australian Army because they were the people who paid the most through the years so that we might retain our quality of life.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Blacktown Sportsperson of the Year Awards

Mr MOSSFIELD (Greenway) (9.40 a.m.)—Recently, I attended the Blacktown City Council’s Sportsperson of the Year Awards. The guest speaker for the evening was Michelle Ferris, an elite world circuit cyclist who won a silver medal at the Sydney Olympics. Michelle proved to be a very popular personality and was besieged by the young people in attendance for details of her achievements and her autograph.

I am pleased to advise the parliament that the winner of the Blacktown Sportsperson of the Year Award was Alicia Aberley, already internationally known as the winner of a number of medals at the Paralympic Games. Alicia won silver in the 100 metres freestyle and the 100 metres individual medley in the S14 category for athletes with an intellectual disability at the Sydney Paralympic Games. Alicia also won bronze in the 200 metres freestyle and 50 metres breaststroke events. Alicia now joins a list of previous winners of this prestigious sportsperson award which includes Debbie Sosimenko, Eddie Salas, Andrew Murtha, Mehmet Yagci and Kasey Giteau. Alicia was also awarded the Blacktown Young Citizen of the Year title on Australia Day, in recognition of her sporting triumphs and sense of community spirit.

I would also like to mention a number of other local athletes who were recognised for their outstanding achievements. Encouragement awards were presented to promising junior cyclist Gregory Beer and karate duo Shane and Jamie Buhrer. The Patrician Brothers under 15 rugby league side was named the team of the year after capturing both the metropolitan Catholic schools and state championships. Paul Mamo was named coach of the year after coaching the Lalor Park junior rugby league A grade side to its second successive Parramatta premiership. Other finalists included Eliza Treble for netball, Stuart Jones for karate, Shane Dennis for boxing, Matthew Outzen and Belinda Forsyth for little athletics, Steven Frew for athletics, Brett Caldwell for wheelchair sports, Renee Asonitis for little athletics, Alison Hogg for soccer, Coral Ann Deahm for indoor bowls and Jaiman Kahn for athletics.

I congratulate all these athletes for their outstanding achievements during the year 2000. Mr Deputy Speaker, you can see now why Blacktown is known as the sporting capital of Western Sydney.

International Women’s Day

Mrs MAY (McPherson) (9.43 a.m.)—Today, we mark International Women’s Day 2001—the 73rd year of this important event that has been celebrated in Australia. On IWD we celebrate the contribution that women have made not only to the world community but to our local communities. To my mind, IWD is about two things: participation and recognition, because it is through participating in society and refusing to sit on the sidelines that women have arrived at the point we have reached today. But today is also a time to recognise how far women have come and, in many areas, how far women still have to go.

My electorate of McPherson boasts many successful women in a diverse range of professions. One such woman is Josephine Tobias, the head of the Gold Coast Women at Work organisation. Josephine Tobias is an inspirational woman with seemingly endless energy, some of which she has used to coordinate an outstanding program of events to celebrate International Women’s Day this year. Josephine runs the women re-entry to work program, a training program to help women who have been out of the work force to re-establish their skills and return to the work force. Those who participate in the re-entry to work program are generally older women who have had successful careers but who have left the work force for a period
of time. This program serves to reassure these women that their skills are still useful and it enables the Gold Coast to tap into a deep pool of talent that otherwise may be lost.

For the past 17 weeks, 13 talented and dedicated women undertaking the re-entry to work program have been working full-time to put together the Gold Coast’s International Women’s Day Festival. The festival is a showcase of possibilities for both employed women and those trying to re-enter the work force. The Gold Coast IWD Festival is an inspiring example of how older women can join together to create an event that will empower the younger generation.

The festival’s program includes 24 training seminars, canvassing topics as diverse as personal development, starting a business and how to manage money. The seminars are complemented by initiatives such as the ‘centre for celebration’, which will host a range of displays and exhibitions celebrating the achievements of local women. Amidst all of this, Josephine Tobias and her team have managed to put together an amazing line-up of speakers who are all luminaries in their chosen field—women such as celebrity relationships counsellor Sally Feelgood, federal Sex Discrimination Commissioner Susan Halliday, fashion designer Charlie Brown, pioneer public speaker Joan Saxton and media personality Belinda Green. They will lead a panel discussion on leadership in the new millennium.

All week, the Gold Coast has been buzzing with motivated women who are determined to forge the women’s movement forward into the 21st century. Today I would like to put on the parliamentary record my appreciation and admiration for Women and Work and, more specifically, for Josephine Tobias, who has enough fire in her belly to light the way for the women of the Gold Coast for many years to come.

Good Beginnings Program

Mr ZAHRA (McMillan) (9.46 a.m.)—I want to state my support for the Good Beginnings program in the Latrobe Valley and also to place on record my anger and disappointment that the federal government has seen fit to cut funding to this important program. The Good Beginnings program in the Latrobe Valley is very widely supported and receives a lot of support from our community. In fact, the staff at McDonald’s restaurants throughout the Latrobe Valley have raised no less than $5,000 over the last 12 months towards the work of this important program, which supports families. Some of the activities which the Good Beginnings program are involved in include family support services, home based therapy support, volunteer home visiting, hospital visiting, antenatal education for dads, the Hey Dad Support Group, antenatal reunions for dad, mum and baby groups, toddler groups, walking groups in Moe and Traralgon, maternal and child health services, a pre-admission service for Latrobe Regional Hospital, and a preschool participation reference group. They do a lot of different things in our community, all of which are extremely important for young families in the Latrobe Valley. In February alone, they helped more than 133 families in the Latrobe Valley. So it is a program which is very widely used and very strongly supported.

There is not a lot of money wrapped up in this program in terms of federal government funds. In fact, all they are asking for is a measly $88,000 per year. For the number of people that they help, I think most people would agree that it is a very small amount of money. This program does a lot of good. It is led by some really great people in Kellie O’Callaghan and her team. There are a large number of volunteers who support this program. It is the type of program which I think provides a model for other services throughout Australia.

Yesterday, I had a good talk with the Minister for Community Services, Larry Anthony, in relation to this matter. To his credit, he said that he would re-examine this issue. In the best bipartisan traditions of this place, I sincerely urge him to do so because there are a lot of people in need in the Latrobe Valley and we need programs like Good Beginnings to help us.
through what is a difficult time for us. Elsie Amoruso had this to say about the Good Beginnings program:

I haven't been a person who's had a great deal of confidence, and getting out and talking to other mums about parenting issues is really important. Sometimes after having a child you can fall into a depressed state, and I know what that's like because it happened to me after my four-year old was born. I'm scared of the isolation.

She went on to say:

It would hurt a lot of people (if Good Beginnings closed) and a lot of women would be disadvantaged because we tend to fall into a rut of isolating ourselves. It is true that being a happier parent means having happier children.

She is dead right, of course. Mr Deputy Speaker, we are not asking for a lot of money. It is a small amount of money but it makes a big difference in the lives of a lot of people in the Latrobe Valley. Once again, I urge the minister to please reconsider his decision in relation to funding for this important program.

Queensland: Bus Accident

Mr NEVILLE (Hinkler) (9.49 a.m.)—Yesterday morning, 31 people were injured when a bus flipped over after being hit by a truck at Gracemere, near Rockhampton. I rise today to extend my best wishes to the passengers and their families. Thankfully and mercifully, no-one was killed in the accident, but it was a near thing.

I understand the bus was transporting 19 schoolchildren and 11 adults from Mount Morgan, which is in my electorate of Hinkler, to Rockhampton, along Gavial Road, when a truck clipped the bus on the rear left side, causing it to spin 180 degrees and turn over onto its roof. A 13-year-old girl and a 72-year-old woman were critically injured. They are currently in the Rockhampton Base Hospital. As of yesterday, they were in intensive care. I hope they are out of intensive care. I spoke to the medical superintendent this morning and he will update me with reports. Nine others were seriously injured and 20 received minor injuries.

I would like to praise the efforts of emergency workers and residents on the scene, who arrived within minutes to provide assistance. I am sure that their help was greatly appreciated by the passengers. Apparently, this help was not without some personal danger, as there was the risk of fire. Anyone who participates in an exercise like that is a person of some courage. My state parliamentary colleague, the member for Fitzroy, was also there, and I thank him for his efforts on behalf of the passengers.

The incident highlights the need to consider putting seatbelts on buses, particularly buses carrying schoolchildren. I understand that the Queensland government has established a task force to investigate bus safety standards. I recommend very sincerely to them that they look into every aspect of this. We all recognise that this is not going to be inexpensive, and so it needs to be worked through with some care. Studies and incidents of recent years have shown that people have a much better chance in any sort of vehicle, even buses, if there are restraints of some order.

Honourable members will know my interest in those matters, as I have chaired the parliament's transport committee where we have looked at things like alcohol, speed, vehicle design and, most recently, fatigue in transport. In closing today, my thoughts are not so much with the politics of this but with the very near thing that occurred in my electorate. I would like to reiterate my thoughts to my colleagues and pass on the best wishes of my colleagues on both sides of the House to the passengers and their families. I wish them all a very speedy recovery.
Mr RIPOLL (Oxley) (9.52 a.m.)—On the eve of International Women’s Day celebrations, it is timely to acknowledge a wonderful group of women that I and a few of my parliamentary colleagues had the pleasure of meeting yesterday. The Partners of Veterans Association is a fledgling group that started in New South Wales a few years ago. It is fast becoming a national organisation, with membership in most states. From our conversation yesterday with representatives of the Partners of Veterans Association, it appears that these wonderful women are fulfilling a support role that has been denied by government and bureaucratic process for way too long.

As was highlighted to us yesterday, women are the primary carers for our veterans and also the ones who keep the family together through the tough times. These women have been through some pretty tough times with their veteran husbands. Anecdotally, these women have borne the brunt of anger, frustration, disaffection and many other issues associated with our veteran community and the suffering that they have had for many years. A denial of problems over a long period of time has seen many women watch the men they love wrestle with the anguish that any person who has undertaken active duty in the armed forces would face and understand. With an extraordinary sense of courage and self-value, these women have managed to keep their marriages together while working and raising families.

I commend the tenacity and strength of the members of the Partners of Veterans Association and wish them very well in their fight for, firstly, recognition and, secondly, a greater understanding of the needs of all veteran communities and veteran families. I look forward to meeting these women again and I will certainly be advising the veterans community in the electorate of Oxley of the Partners of Veterans Association. Ultimately, I would like Oxley to have the first Queensland branch of the Partners of Veterans Association. In Oxley, we have a very strong veteran community and support base.

Most importantly, I think government has a huge role to play in this support process. It also has a role to play in terms of the programs and services that it provides. This is exactly why this group has come into being; there is a huge gap left by government that has to be filled. It is being filled in the best way possible by the women who have formed this association and who provide such a great service.

What impresses me most about this group of women is the intelligence and tenacity with which they have addressed their issues. Even more outstanding is that the Partners of Veterans Association—and all other partners who support their veteran families in our community—is saving the government billions of dollars in care programs that would otherwise have to be outlaid to do the work that they are currently doing. Their work should be recognised for the support they provide their own families and the community and for the sacrifice they make for others. I welcome them in my electorate and I would like to mention the president, Robyn Creswell; senior vice-president, Gail MacDonell; junior vice-president, Kay Pranevicius; secretary, Diane Barrett; minute secretary, Lee Hoinville; treasurer, Tineke Dalton; assistant treasurer, Michelle Harbord; publicity officer, June Roe; and information coordinator, Leslie Minner. (Time expired)

Mrs GASH (Gilmore) (9.55 a.m.)—I rise this morning to speak on a subject dear to the hearts of many, especially in my electorate of Gilmore, although many others travel to Gilmore to share the delights of this pastime. I am talking about recreational fishing. Along our coastline, many shops do not sell fresh fish because they would go broke. They all sell bait and fishing gear instead and, believe me, they make a good living out of this. Any day or night of the week, you will find fisher people out on beaches, headlands, rocks, estuaries, river banks and in boats fishing for the big one or just fishing for dinner.
There has been a lot of talk about the relationship between commercial and recreational fishers and often there has been a lot of heat and recounting of anecdotes, real or exaggerated, in those discussions but not a lot of well-researched fact. Many recreational fishers have told me of the tourism dollars they bring to the area buying bait and hooks, using accommodation, feeding their families and keeping the kids occupied. Other recreational fishers have told me about how people only come to our area in the best times, overfish our resources and do damage to the habitat and species through ignorance or lack of long-term interest in our region. Still others have told me about commercial fishers who come along and take everything, damaging the environment on the way and leaving nothing for the locals or the tourists, who will go somewhere else the next time.

Commercial fishers have told me about recreational fishers who trample the undergrowth along the shores and river banks, discard their rubbish thoughtlessly, and who do not know or who disregard the rules regarding fish sizes or bag limits. I have often heard that recreational fishers are a nuisance and a hazard to the environment but they buy bait. I have often heard that we should ban commercial fishers, yet people still want to buy fish and chips and commercial fishers supply the bait to recreational fishers.

The issue seems a bit like some marriages: full of well-worn arguments hurled by both sides at one another without much regard for facts or possible solutions. Into this comes the work of one man, an environmental lawyer called Tom Young, who has looked at the economics of fishing in Queensland, both commercial and recreational. His analysis of the Queensland government’s own figures shows that for every $1 of fish caught by a commercial fisher, the industry returns $2.50 to the economy. For every $1 of fish caught by a recreational fisher, the industry returns over $8 to the economy. If this is true and no other benefits are being left out of this analysis, then the question has to be asked: why are we favouring commercial fishing over recreational? This government’s national indigenous fishing survey will give us some more data to work with.

In Gilmore, I believe we should look at closing the lakes and estuaries to commercial fishing, especially St Georges Basin. Let us make sure our priorities are right before we destroy the natural heritage that we have. Let us work together to make sure that we get our facts right so that we can make good decisions based on those facts. Let us make sure that the money raised from our fishing licences goes to researching our own area and, if necessary, buying out our commercial licences. I thank Jim Harnwell of Yaffa Marine Group Publishing for the information and, of course, you as well, Simmo.

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

MINISTERIAL STATEMENTS

Defence 2000—Our Future Defence Force

Debate resumed from 28 February, on motion by Mrs Worth:

That the House take note of the paper.

Ms LIVERMORE (Capricornia) (9.58 a.m.)—I appreciate this opportunity to speak about the defence white paper, Defence 2000: Our Future Defence Force. I would like to direct my comments to what I see as a lost opportunity for Central Queensland in the government’s defence white paper. I have had to come back to this theme many times in speeches over the last couple of years in this House because I think it has been a recurring problem under this government. The missed opportunities in Central Queensland under this government are due to a lack of genuine understanding of what is going on in regional Queensland generally and in the specific area that I am concerned about—Central Queensland.
I am very disappointed when I detect people taking a one-dimensional view of Central Queensland. It is quite easy for people from outside our region to think of Central Queensland as being dependent on only cattle and coal. These are very important industries to our region but there are many other dimensions to our current economic activity and these are going to provide the basis for our success in the future. For example, the Central Queensland University is expanding all the time and the IT industry is starting to take a much more high profile role in our region—in part due to the work of the Chamber of Commerce in Rockhampton in putting together the IT expo later this year. Other things include the high-tech light metals industry which is currently under development around Rockhampton at places like Marlborough and Stanwell, and the emerging tourism industry, which is taking on increasing importance to not only Rockhampton and the Capricorn coast but also the outback areas around the central west of my electorate. If there is one thing I want to do in this House, it is to constantly reinforce the message that Central Queensland’s potential should not be constrained by its traditional strengths because our ambitions certainly go much further.

In the last couple of years, because of the lack of interest in and understanding of our capabilities and opportunities, there has been a lack of targeted support by this government for the work being done at a local level to identify opportunities for our region and develop strategies to capture those opportunities. For a number of years it has been clear that one of those opportunities lies in Rockhampton’s proximity to the Australian Defence Force’s training area at Shoalwater Bay.

When I talk about the lack of targeted support by the government to underpin these sorts of opportunities that are identified at the local level, I think of things like a submission that is currently before Senator Ian Macdonald and the Minister for Transport and Regional Services, under the Regional Solutions Program. That submission was put in by the Rockhampton Enterprise Ltd organisation, seeking funding for our region to develop a strategy to make our businesses and our community defence ready, so that we and our local businesses are in a position to provide appropriate logistical support to the defence training facility at Shoalwater Bay. On behalf of Rockhampton Enterprise Ltd I spoke to Senator Macdonald at the end of last year about that submission, but I notice that at this stage it has not been picked up in the first round of Regional Solutions Program projects. I do hope that it is being considered very carefully, because it holds a lot of promise for our local businesses in Rockhampton and has great potential to provide employment into the future.

The training facility at Shoalwater Bay is in almost constant use for training, and is the site for extensive joint exercises such as Crocodile 99, which was held with the Singaporean army, and Tandem Thrust, with the United States defence forces. We are coming up to another major exercise in May this year with the United States armed forces, as a result of which we are going to see again a major influx of people and a major influx of money into our local economy. The Singaporean armed forces are increasing their commitment to Shoalwater Bay and Central Queensland all the time. Last year it was announced that a number of local businesses were successful in tendering for contracts to provide support to the Singaporean armed forces in their use of Shoalwater Bay, and we have recently had a training exercise by the Singaporean armed forces during which those local businesses cemented their position as excellent providers of support to those armed forces.

The government itself, in the budget expenditure for 1999-2000, has recognised the significance of Shoalwater Bay. Almost $10 million worth of work was committed to improving its road access, building a depot and a small-arms range, and other projects. So the Defence Force is well aware of the importance of Shoalwater Bay. But that brings me to the missed
opportunity for Capricornia and Central Queensland. We can start with the announcement of the white paper, on 6 December last year, when the then Minister for Defence put out a press release saying, ‘White paper delivers for regional Australia.’ I read this with great excitement to see what I could glean from the white paper to tell my local community.

Unfortunately, parts of regional Australia other than Darwin, Townsville, Oakey, Williamtown and Albury-Wodonga did not get a look in—and certainly not Rockhampton. That is a source of major disappointment to me and to our local businesses, which have been making such a great effort to be defence ready and to provide logistical support for even more use of Shoalwater Bay. This is all a great disappointment. On page 81 of the white paper, the government announced that a combat training centre was to be based in Townsville. It said:

This facility will ensure that our combat units can be trained and tested to the highest level as quickly as possible. On current planning, this centre would begin operating around 2006.

That is all the detail there is on the combat training centre. The fact that that statement says that it is going to be up and running in 2006 indicates that it is going to be a fairly significant and extensive operation. My question to the Minister for Defence is: what strategy was there for naming Townsville as the site for that combat training centre? What consideration was given to Shoalwater Bay as a site for the combat training centre, given the significance of Shoalwater Bay as the Australian Defence Force’s premier training facility?

I would hate to be uncharitable to the Minister for Defence and the government and suggest that perhaps the needs of the electorate of Herbert got a bit higher priority than those of Central Queensland, given the marginality of that seat. I would like to know the actual strategic thinking that went into that decision and whether or not Shoalwater Bay, which is sitting there in Central Queensland performing a very important training task right now, was considered. It would seem logical to have that combat training centre located in Central Queensland, either in or very close to Shoalwater Bay.

Rockhampton has already proved its ability to provide logistical support in these kinds of exercises for the defence forces of the Singaporean army and the Australian and United States defence forces, which use Shoalwater Bay so extensively. The white paper recognises the importance of defence to strengthening regional economies. On page 7 of the white paper there is a statement about the significant economic benefits from the defence presence enjoyed by a number of regional centres such as Darwin, Cairns and Townsville. I suggest the government has a good look at what is happening in Rockhampton; has a good look at the submission of the local business community of Rockhampton that is before Senator Macdonald, which seeks support to develop their defence-ready strategy; and has a look at what is already happening in terms of logistical support in Rockhampton for the armed forces that use Shoalwater Bay so extensively. We have the ability to do it.

I invite the government to look very closely at its decision to base that combat training centre in Townsville as opposed to Central Queensland. Hopefully, we will get some more detail on that in the debate on the white paper and during the implementation of the white paper in the coming years. Again, I come back to this idea of lost opportunities for Central Queensland. We are identifying the opportunities locally. Businesses and the economic development organisations are working together very closely and we are identifying our opportunities, but we cannot do it by ourselves when decisions are made that undermine what we are doing at a local level to secure our economic future.

Dr SOUTHCOTT (Boothby) (10.09 a.m.)—The defence white paper—Defence 2000: Our Future Defence Force—provides $23½ billion over the next 10 years. It will increase the armed forces by 3,500 to 54,000 by 2010; it provides for six Army battalions to be at battle readiness; and it provides planning for three new destroyers, the upgrade of the frigates, the upgrade of Collins submarines, four new AWACS, 100 aircraft to replace the FA18s and
F111s, 36 new helicopters, a $30 million boost for school cadets, and a greater military role for the reserves.

The defence white paper is welcome and it is what is needed. It has established the basis for long-term funding well into the future. The defence white paper noted the fast growth of military capabilities in the region. It talked about strategy and how this operates as a force determinant. It looked at conceptualising strategy in terms of the defence of Australia and the direct approaches. It looked at the security of the immediate region, stability and cooperation in South-East Asia, and maintaining strategic stability in the Asia-Pacific region. It looked at global security through an international community. All of those five things are important in terms of the Defence Force’s strategic planning.

With respect to the defence of Australia, the stance is defined by self-reliance, a maritime strategy in the air and sea approaches, and also the ability to be proactive against hostile forces. In looking at the immediate neighbourhood, the Defence Force will be using forces developed for the defence of Australia to assist in evacuation, disaster relief and so on. The Defence Force also has to be able to take part in international coalitions and peacetime tasks within Australia. But the important point is that it is the defence of Australia and operations in the immediate neighbourhood which are the force determinants.

Looking at the reserves—this is something that relates particularly to my electorate—the government is now changing the legislation to allow for easier call-out of the reserves and for better compensation. This is something that the reserve units at Warradale in my electorate and also in Keswick have been seeking. For the Air Force, the white paper plans to replace and upgrade the FA18s, introduce the AWACS, as I said, and replace the air-to-air refuelling capability. For the Navy, it will provide antiship missile defence for the Anzac frigates and it will also improve the Collins by improving the platform and combat systems—all quite necessary. It will provide electronic warfare self-protection for the F111s, which is well overdue. The F111s will be replaced from 2015 to 2020, and funding will increase by three per cent per annum over the decade.

If we think about the last five years of the Howard government, some of the important landmarks have been the defence efficiency review initiated by Minister McLachlan and the defence reform program. In 1997 we released a white paper on Australia’s strategic policy and, of course, there was the commitment of INTERFET troops to East Timor. Leading up to this defence white paper, there was extensive community consultation. I think that was a very valuable part of the defence white paper. The white paper recognises that decisions must balance security and fiscal responsibility. Paragraph 1.21 of the white paper makes this statement:

Our armed forces are not simply a service provided by government. They are part of our national identity. The ADF reflects the kind of country we are, the role we seek to play in the world, and the way we see ourselves.

Paragraph 1.22 notes the responsibilities that Defence has as an employer and a contributor to local and regional economies, and that is very important. In South Australia, we have the regularly at the RAAF base at Edinburgh, but we have nothing like the defence investment that can be seen in other states. That is something that, unfortunately, has not been addressed in the defence white paper, but I am pleased about the defence investment, which is very important to South Australia. I am also pleased that there has been a commitment to improving the submarines. Perhaps we will see, some time in the future, an announcement on rationalisation of shipyards.

The white paper also talked about the way global politics have changed over the last 10 years. Intrastate conflict is now more common. Looking at the sorts of activities the Defence Force has performed, as well as being part of the Gulf War coalition of 1991, the ADF has
sent personnel to Namibia, Somalia, Western Sahara, Rwanda, the Middle East, Cambodia, the Solomons, Papua New Guinea, Bougainville, Indonesia and East Timor as part of peacekeeping groups. The community consultation team found that most people believe the Australian Defence Force should be structured to maintain a war fighting capability for the defence of Australia. Even though peacekeeping operations are much more common, the force determinant should be a war fighting capability for the defence of Australia. Having been involved in the review of the Army through the Defence Subcommittee of the Joint Standing Committee on Foreign Affairs, Defence and Trade, that is my conclusion as well and it has been part of the evidence of many witnesses to that committee.

The white paper also looked at some important issues for us in the review of coastal surveillance. This is an issue that the Defence Subcommittee looked at last year. It talked about improving surveillance and touched on new areas, including our counter-terrorist capabilities, but also a comprehensive approach to cyberattack. Looking at the global situation, the white paper said that globalisation and the primacy of the United States are the characteristics of the global situation. It went on to say that nation states remain the most important strategic actors despite nationalism, regionalism and the fragile threads of globalisation. Looking more closely at the Asia-Pacific, the major powers remain China, Japan, India, Russia and the United States. The US-China and the US-Japan relationships are very important to the stability of the Asia-Pacific region.

Prior to the Asian economic crisis, the Asia-Pacific had witnessed the fastest growth of military capabilities. Various studies have said that this was not a threatening thing; it was more a catch-up. We now have a situation where nine countries in the region will have beyond visual range air combat forces by 2005. Some countries will be acquiring AEW&Cs. In navy we see a proliferation of antiship missiles, an expansion of the submarine fleet and also improvement in antisubmarine warfare capabilities. For the strike forces, improved strike capabilities and land forces will be more sophisticated. That is the situation with weapons of mass destruction. We have India and Pakistan in the Indian Ocean region as nuclear weapon states.

Looking at strategic relationships, the most important one for Australia is the US alliance. ANZUS is celebrating its 50th anniversary this year. Last year, arrangements were set up to give Australia access to United States military technology, including in critical and sensitive areas. The white paper stated that sustained US engagement in the Asia-Pacific region is important to stability. That is how I feel. Community consultation found that there is strong support for the United States alliance in the Australian community in the context of self-reliance.

Talking about South-East Asia, they said that overall probably no country has a greater range and depth of defence contact with the countries of South-East Asia than Australia. That was recognised by Colin Powell in his confirmation hearings before the United States Senate when he said that, in terms of their ally Australia, the United States appreciated the interest we had taken in Indonesia and liked what we had done in East Timor. They would be looking at working closely with us within South-East Asia. It is an area where our expertise has been recognised.

Another important relationship is that with Singapore. Due to space constraints, Singapore undertakes extensive training in Australia at the helicopter base at Oakey with the RAAF in Western Australia. We still have an involvement in Butterworth in Malaysia. It is no longer an Australian base but Australian personnel are serving in Butterworth. The Five Power Defence Arrangements are now over 30 years old but they are still important in terms of our contacts in South-East Asia. We have important bilateral relations with the Philippines and Thailand. Tremendous support and leadership was shown by Thailand in East Timor in 1999-2000. Of course, we are participants in the ASEAN Regional Forum.
To look at strategy: the important things in defending Australia are self-reliance, a maritime strategy and proactive operations against hostile forces. In contributing to the security of the immediate neighbourhood, the Australian Defence Force needs to plan for several operations simultaneously, not only to resist aggression but also in relation to evacuations, disaster relief and peacekeeping. We have seen that demonstrated very effectively over recent years with drought relief in Papua New Guinea, relief after the tsunami and so on.

In terms of supporting wider interests, it is to be expected that Australia will be part of international coalitions. However, it is most likely that these will be in the immediate region and the Asia-Pacific. Beyond the Asia-Pacific it is likely that there will only be a modest contribution from Australia. The principles which need to govern our force are to have operational flexibility, because you cannot predict the circumstances that the ADF will be engaged in in the future; an integrated capability; interoperability with other forces; a fully developed capability; a capability and knowledge edge, with innovation in doctrine, organisation and logistics; operational concurrency; sustainment; a technology focus—we need to learn the lessons from the Collins class submarines—and cost-effectiveness.

On the white paper provisions for defence expenditure over the next 10 years: in 1998 the Defence Subcommittee released the report Funding Australia's defence, which raised many of the issues which have now been addressed by the white paper. I welcome the provision for defence spending and the very thoughtful planning of our force over the next 10 to 20 years. This defence white paper presents a hard-headed view of our regional security. It is written in stronger language than before. I support the document.

Mr Hollis (Throsby) (10.22 a.m.)—Labor welcomes the white paper entitled Defence 2000: Our Future Defence Force. We believe that it should have come out about 18 months earlier, and that defence has been in a strategic vacuum for too long. Having said that, we welcome the white paper very much.

Defence has enjoyed, in the main, bipartisan support in this parliament. That is a good thing. It is as it should be. Having been in parliament 18 years this week, I guess the last time there were serious divisions here on defence issues would have been during the Vietnam years, long before I came. That division was not so much on the defence forces or the troops themselves as on the political question of whether Australia should have been involved in that conflict. Since that time, there has been largely bipartisan support in parliament on defence issues.

Obviously, the exercise in Timor during the last couple of years has also brought defence to the fore. I think that Australians, from the time when our involvement in that began, have been becoming much more aware of our defence forces and talking much more about defence, and much more has been written in the newspapers about defence than in preceding years. From a defence point of view, Timor has in many respects put Australia on the international map even more than before. This was brought home very starkly to me when, Mr Deputy Speaker, along with my colleague Senator Alan Ferguson, we were the parliamentary representatives to the last session of the General Assembly of the United Nations. My good colleague and friend is going to represent Australia ably there this year also.

At that time in New York, we were often spoken to about Australia’s role in Timor and so forth. Given the arc of instability in our part of the world, a lot of people were looking at what was happening in Aceh and in the other parts of the Indonesian archipelago. Some went so far as to say that they had heard, and they knew, that Australia was going to take a lead role there.
I always said to people—and I always stressed that I was not a member of the government—that I would be very surprised if Australia ever took the lead role in that part of the world again, despite what Colin Powell and others might say. We would go in there in a support role, which is right. Timor had a special meaning to Australia, and Australia felt a responsibility towards Timor. I do not think it is too far fetched to say that it was a conscience issue for many Australians for many years. Rightly or wrongly, there was a certain feeling of guilt. It just happened to be a coincidence that, over many years, we had been moving the Army north. We even had the people mover in Darwin at that time. There were a whole lot of fortunate coincidences. When the troops went in, they did such a magnificent job.

People sometimes talked about, and there were articles in the paper, whether or not the Australian forces went in too aggressively. The one thing that people should always bear in mind is that we had young Australian men and women of 18 or 19 years of age who had never been in a conflict situation before. When the first wave of troops went in, they had absolutely no idea what they were going to face in Timor. We were not talking about a village vicarage party; we were talking about an armed conflict situation where lives were on the line. Of course, they had to be prepared for all eventualities. They were magnificently led and they carried out that role in a magnificent way.

The member for Boothby and I both serve on the Defence Subcommittee. One of the things he said—and I believe it as well—is that the Timor situation showed how well we trained our troops. A few years ago the Canadians decided that the big thing was going to be peacekeeping and peacemaking. They trained their forces in peacemaking. That was very good, but the Canadians learnt that that was not the way to go and they learnt that at a cost. It troubles me slightly that the New Zealanders are going the same way. That is the way they are looking at training their defence forces. I fundamentally believe that what you do is train your troops for combat situations and then, if they need to, they can adapt to the peacekeeping role. We have seen Australians do that in so many parts of the world. I believe it is very important that that happens.

We have suddenly realised that, instead of living in this peaceful part of the world, we are living in a part of the world which is very unstable. You just have to look around. Who knows what might or might not happen in Fiji. Papua New Guinea is always a concern. Then there are the Solomon Islands and the whole of the Indonesian archipelago. I think that Australians are going to become more aware of what is happening in that area.

The government had a community consultation process. Indeed, the honourable member for Cunningham and I set up a meeting in our area to consult with the community. We fed what happened in the Illawarra into this. I thought that was a good idea. I have one concern about it. At the very same time that community consultation process was going on, this parliament, through the Joint Foreign Affairs, Defence and Trade Committee, also had an inquiry. The witnesses came before us and they were covered by parliamentary privilege. They were not in the other inquiry. I feel this often undermines the work of the parliament and the government—I do not care what political persuasion it is. The community consultation process was carried out. It was led ably by Andrew Peacock and assisted by Stephen Loosely, a former senator. They did a great job. In many respects, it was a job for the parliament. It was a job we should have done through our committees. We should have brought back a report, presented it to the parliament and debated it. That is something we should look at.

The Labor Party have no fundamental disagreement with this white paper. We will quibble about certain aspects around the edges but we would claim that it basically reflects Labor’s policies on defence. There is a modest increase in spending over the next decade. There will be a lot of concern on how this increased spending is carried out. Every so often over the years, defence people criticise what happens in defence. I have been around the defence scene of this country for many years, not only as a member of the Joint Standing Committee on For-
When Labor were in government, we put in an amount of money. I was very involved with APIN, the movement of the Australian forces to the north. I have a few reservations about that. I do not want to see all our forces in the north because I do not think the north is the best place in the world to live from the point of view of family relationships. There have been a few problems there. Despite the Defence Housing Authority and the provision of good accommodation in those areas, young people are often separated from their families when they go to the north, especially wives. If they have young children, they are usually looking for family support and they have not always got that in the north.

Having said that, I very much support the movement of the defence forces to the north. I have always supported what we have been doing in Townsville and the arc of bases from Curtin to Tindal and Scherger. I take the fairly simplistic view that, if Australia is going to be attacked, it is not going to be from Antarctica. The areas to our north will give us the most trouble, so I support the movement of the forces to the north. But I also think we should build up some of those bases in the south. We must not let places like Puckapunyal, Singleton or Wagga decline, because they will continue to play a very important role.

What is recommended in here is not a big increase in spending. There is a modest increase in spending. Another issue that we have to address in the defence forces is recruitment and whether we are going to get the projected extra numbers that it is claimed we need. We have a high separation rate within the defence forces and this costs Australian taxpayers considerable amounts of money. Maybe we should look at that.

The other issue that I think should be addressed—and I know that the shadow minister, the member for Cunningham, has made speeches about this and has addressed it as an issue—is the partnership and support strategy needed for our defence industry. It is not really identified in this white paper—and the shadow minister has said this many times—but we have to ensure that the economic benefits of not millions but billions of dollars being spent on defence equipment flow through to the domestic economy. There are all sorts of benefits from defence spending. I do not see why all those benefits should go overseas. There are benefits not only from the actual expenditure of dollars but also from the very important role of research. We have to get some of our universities more involved in research so that the spin-offs go to Australia rather than always going overseas.

We have also got to have effective intelligence. We have to know what is going on around Australian shores before we start talking about defence priorities and defending Australia. We have to know what is going on internationally. You cannot talk about defence policy in a vacuum; it is part of international diplomacy. It is very important that we not allow defence considerations to operate in a foreign policy vacuum.

Madam Deputy Speaker Gash, I know that you have a great interest in defence issues with HMAS Albatross based in your electorate. Labor started spending a lot of money on the base—although others often claim it—and it is good that the government is continuing to put money in there. The opposition supports the main thrust of the defence white paper. We all take great pride in our defence forces. I have had the privilege of visiting Timor twice since our troops have been there. They are doing a magnificent job, which is a reflection of the high priority given to our defence forces both from the opposition when we were in government and from the current government. What we spend on defence is money well spent. I think that our defence forces do us proud in the way they represent us in so many parts of the world.

Incidentally, a lot of people talk about where Australia’s peacekeeping forces are. What a lot of people do not realise is that in many other parts of the world we have one or two advisers. We are so highly respected, especially in the UN, that often Australia is called on—it
might be one officer or one supervisor—to advise on a situation somewhere in the world. It rarely makes the media here, but it does have a big impact internationally and it is very important that that role is carried out by an Australian.

Mr CADMAN (Mitchell) (10.37 a.m.)—The House is debating the defence white paper Defence 2000: Our Future Defence Force and the government’s response to it. The white paper is a function of government to arouse public discussion on an issue and to gain input and contributions from experts and the public alike. This has been a wide-ranging process by the team led by the Hon. Andrew Peacock, relying to a large extent upon the expertise within the defence forces of Australia but also consulting broadly with the public. The two main outcomes of the inquiry—and the government’s decision—have been a large funding increase and a commitment to long-term capacity improvement and a modest increase in people in uniform.

This is one of the most successful defence processes ever undertaken by any government, and one that I have not seen undertaken before. It took into account not only the immediate defence needs but also a long-term vision of 10 years. It also built upon what I consider the exceptional work that has been done in our region and, more broadly, by our Foreign Minister. The team considered our multilateral relationships and our bilateral relationships, but the self-reliance factor of Australian defence was given a broader consideration in that we continue to realise that self-reliance is not the complete answer—that is, we must have a mix of self-reliance and strategic alliances.

I want to compliment the former minister, John Moore, and the current Minister for Defence, Peter Reith, on their capacity to drive the reform and to move ahead. I felt that, during the Labor administration, while the current Leader of the Opposition was the Minister for Defence, he had a liking for defence, but he was more interested in the esoterics on the one hand and the toys on the other. I do not think he had a particular commitment to defence in the way that was needed by Australia, because during the period when he led Defence there were consistent reductions in expenditure and a falling capacity.

The self-defence aspect of the white paper means that the government wants an integrated and balanced joint force that is capable of serving Australia. That will mainly depend on a sea-air relationship. We need also to consider our role in the region. We need Australia to be secure in order to have a secure region. The involvement of Australia in a wider field than its immediate shores is seen by some as an outreach to assert some sort of superiority in the region. I do not see that as part of the Australian character or the implementation of foreign affairs or defence roles for Australia. However, a secure region does mean a secure Australia, and that must be a goal so that we can successfully promote peace and security in our region.

Madam Deputy Speaker, I know that you, in particular, are aware of Australia’s specific involvements. Of course, during the last two years that involvement has risen to a peak not previously reached outside a direct confrontation or war situation. But there are several regions in which Australia needs to be involved. I refer to the South Pacific area, and we are active in that area. There is the area to our immediate north, Papua New Guinea and West Irian. I refer also to our South-East Asian responsibilities where, in cooperation with others, we have been called on to fill a strategic role.

There is also a world role with the United Nations that Australia needs to acknowledge that we have, as a global citizen. The Australian reputation is high in that area. The rule of law and the respect for human rights are something that Australians hold dear. They are at the forefront. They do not like to see somebody crushing somebody who is weaker. They are quick to spring to the defence of somebody who is being abused. We cannot always take up causes that strike the heart of the Australian people. Whether it be in the Sudan or in areas of Indonesia, it is not always possible for us to take an active role.
The first aspect of a successful defence policy is to have an active foreign affairs policy, because the answer is not to go to arms in order to get a military resolution; we should try to prevent that where it appears it is going to happen. That is a matter of working through the global organisations, our aid programs, our advice programs, our assistance programs of all types. Our role in refugee settlement is not insignificant in that regard.

When it comes to the bottom line, we have, I suspect, an ascending scale of involvement. It starts with disaster relief. That is an area in which the military can be involved. We have a role in the evacuation of Australian nationals where there is a threat to their safety. We have a role in unarmed peace monitoring processes. Of course, we have the full-scale involvement through the United Nations, where our defence personnel are requested to maintain a full peacekeeping requirement. Ultimately, I suppose, the recent test was East Timor.

We are currently involved in East Timor, Bougainville and the Solomon Islands. As a nation, we have conducted a surveillance and supporting role in things such as the Commonwealth Heads of Government Meeting and, of course, the Olympic Games. Australia is also contributing personnel to UN operations around the world. Australia is a middle-ranking power. We have to rely on both self and others. Australians are not so self-interested or so puffed up with our own significance that we want to dominate our region, but we must adopt a balanced approach, so there must be alliances as well as self-reliance; there must be the defence of Australia as well as a regional commitment. We face the prospect of conventional war and non-combatant military operations. We have to deal with the current situation and we have to plan ahead. That is what this white paper does and that is the way the government has responded to it. An unpredictable future for our region means that the planning needs to be broad. The government has responded to the process of the white paper. The response involved consultation with a large number of people and went through a large number of processes.

In particular, having made those broad comments about the paper, the government has sought to strengthen the air and maritime capacity in a sensible way. In regard to maritime capacity, I sound a note of warning to the government and to the House. I was a member of the parliamentary accounts committee that looked at the construction of the *Tobruk*. That was an absolute disaster. The Collins class submarines followed the same pattern to a large extent. We need to be vigilant in telling our maritime designers and our people making commitments in the maritime area that we have a requirement for them to be accurate in their forecasting and budgeting, and to deliver the goods that they promise on time and of a type that they have promised. I will not recount the difficulties with *Tobruk*, but it is my understanding that she can only beach in one area of Australia—and she was supposed to be a landing vessel. The construction is such that it does not meet the design requirements. The Collins submarines have had similar problems and a huge expense overrun.

We have to be careful in these areas. It is no good when ministers or governments allow Defence to commit to something on a very low and somewhat ill-prepared cost basis with a view from Defence that, once they have captured our support in the budget, we must complete the project by paying whatever the cost may be. That is not the process that this government is looking for from the defence forces or from the Department of Defence and it is time that that culture changed. I hope it has changed. We do not want any more Collins; we do not want any more *Tobruks*. We need the equipment, we need the craft, but we need it to be done in a professional manner.

The neglect of the Army has been largely remedied in the white paper and in the government's decisions. The involvement of industry in Australia's defence continues and will get increased emphasis. Here again, I want to sound a warning because I consider the outsourcing of much of Defence is something that needs to be watched. I can remember a time when the Navy could not gain access to its own vessels on Sydney Harbour because the painters and
dockers union were holding them up and preventing them going on board. That should never happen in Australia—that cannot happen. We cannot have the prospect of an East Timor on our backs and not being able to move aircraft, military equipment or vessels because of an outsourcing process. A great deal of care is needed in outsourcing. It should not be outsourcing for the sake of outsourcing but outsourcing because the outcome is beneficial to the overall defence cause.

The leadership role in Defence is mentioned in the white paper. The tension between civilian and military leadership is always present. I would like to see a real leadership role in Defence rather than a bureaucratic role. We have suffered from a bureaucratic role for too long. It goes back a long way. Our military people should never have good advice or proper decisions stifled by bureaucratic interference. They must feel free and confident to give advice to government in an unhampered way. I think that the leadership in Defence is now at about the right balance. The bureaucratic control of Defence and the huge number of bureaucratic members of Defence need to be constantly monitored.

Another aspect of Defence which is of concern to me is defence property. I see a theory arising that the land value of, for instance, RAAF Base Richmond is so high that the land needs to be flogged off and some alternative air transport base established. I am completely opposed to that concept, because it neither has economic logic nor a rational defence basis. I do not know of any defence air transport company in Australia that would put its base in a remote location so that it has to send its trucks or aircraft to the source of its goods and then carry those goods where they are needed. Such companies usually base their depots alongside their source of supply or as close to them as they can get. That is why Richmond was chosen as an air transport site. It should remain as such, because there is an extremely logical reason.

I would like to say a few words in regard to the reserve, because whilst the white paper deals with that only in part, the declining role of the reserve in Australia is a real concern to me. Its numbers are down. The Australian Labor Party fooled around with the Ready Reserve concept and that did not help too much. The reserve numbers started to decline and have continued to decline. The government’s decisions will revive the reserve but the reserve urgently needs to be rebuilt and nurtured. Timor illustrated the significance of the reserve. If we neglect the expertise that can be drawn from our civilian community, then we are foolish. This is an enlightened step forward in defence and is something that every Australian should support.

Mr SNOWDON (Northern Territory) (10.52 a.m.)—I am pleased to participate in this debate on the defence white paper, Defence 2000: Our Future Defence Force. It seems so long ago that the white paper was tabled in the parliament but I realised when I read through some speeches this morning that it was in fact tabled quite recently—in December. A lot of water has passed under the bridge since then, hasn’t it? In my view, not the least of the problems we have experienced since then is the government’s continued failure in the defence area. I will address that issue shortly.

I note that in his contribution to this debate on 6 December our leader, Kim Beazley, posited what I think is a very good overview of the strategic matters we need to deal with in a contemporary environment and the Defence Force structure we should have. I am sure that it is clear to all of us that the concept of self-reliance is fundamental. This was the case when Labor was in government but I am afraid the present government has, since it came to office, reduced Australia’s capacity for self-reliance in defence matters. The strategy of self-reliance should be based on a policy that names self-reliance as a specific strategy target: a realistic alliance strategy of security links with the US and a diplomatic strategy of engagement with Asia that is neither aggressive nor isolationist. I would think that the bulk of the Australian community would say that that is a very rational approach to the way things should be.
As Mr Beazley indicated, Labor has four priorities. The first is intelligence, which is of paramount importance for a country with a professional defence force numbering only about 15,000 members and trying to protect 10 per cent of the world’s landmass. This is where Australia’s alliance with the United States can be most advantageous, but you would think from present debates in this country that that was not the case.

The second priority is the need to counter threats on the maritime approaches. For this purpose the Labor Party believes that we ought to have a coastguard; I support that view. This is one of the major platform items already announced by Mr Beazley in January 2000. It is of particular importance in the Northern Territory as, in recent times, there has been an increase in illicit drug imports and illegal immigration. This increase has been shown to affect the Territory and it highlights the need for a coastguard service or something similar—certainly a lot more than we currently have. This is not to say that the Defence Force personnel who are involved in this work do not do a magnificent job, but in my view they are under-resourced and they do not necessarily have vessels that are appropriate to the task. It is time for us to look at a different way of doing things in that area.

The third issue is the question of strike capabilities, which I think are under threat. While defence policy should concentrate on the main aim, defence, there should also be the ability to strike at focal points of threat to Australia. This means there must be a premium on aerial strike, submarine and special forces capability.

The fourth priority, importantly for all of Australia but most importantly for where I live, is the fundamental need to defend the Top End. The Labor Party has asserted that it is most important that the Top End be protected. That is why it initiated the Army presence in the north in the early 1980s, to the point where now a large proportion of Australia’s Army capacity is in the Top End. With the Air Force in Tindal and the naval base in Darwin, there has been a massive relocation of defence forces to the Top End. That is appropriate, because the Top End is clearly the region of greatest exposure to military threat.

I will focus this morning on personnel, which is critical if we are to have a defence force that is capable of self-reliance. I am very concerned about what I believe to be very low levels of morale amongst many units in the Australian Defence Force. It is certainly true in the Top End of Australia, where the Defence Force community believes it has been given short shrift by this government, particularly by the minister responsible for defence personnel matters, Minister Scott. There is a range of issues currently on the boil which have affected that attitude. In this chamber and in the main chamber on a number of occasions, I have raised one of those issues: the question of remote locality leave travel. I will come back to that in a moment.

Remote locality leave travel is part of a range of issues which are affecting morale amongst Defence Force personnel, certainly in the Top End. The second issue is the proposed change to the methodology for calculating district allowance, which will hit all serving members in Northern Australia. In my view, this needs to be rethought. We understand that more than 500 ADF members are ineligible for the new housing loan scheme, the Defence Home Owners Scheme, because they failed to revoke a non-existent eligibility for the previous loan scheme. It is not their fault, yet they have to pay. Nothing has been done by Defence to fix the problem.

It is also clear that maternity leave provisions as they currently exist are potentially discriminatory. If you take more than three months leave without pay as part of your entitlement, this then counts as non-continuous service and you stand to lose your promotion date. The fifth issue is that the Soldier Career Management Agency needs to examine what it is up to, because it is refusing to approve discharges, despite unit recommendations that they be approved. Why keep people in the defence forces who do not want to be there anymore and are
clearly surplus to the immediate requirements of their units? Lastly, and most recently, is an issue which affects people in East Timor. I have been to East Timor on half a dozen occasions since the end of 1999. I am absolutely speechless, in a sense, in terms of defining the professionalism, integrity and work ethic of the Australian Defence Force, and the role that they have played and continue to play in East Timor. They do it without moaning—although, obviously, they raise issues from time to time, such as the adequacy of equipment, rations and those sorts of things, and you would expect that.

Recently—I think it was three weeks ago—seven Australian Defence Force personnel were sent to East Timor in a group called the Australian Training Group. Their purpose is to provide training for the formation of a defence force for the people of East Timor—that is, the old Falantil forces. This is being done jointly by Portugal and Australia. These people have been in East Timor for over three weeks. They are in East Timor on visitor status. Essentially, they have no rights. These Defence Force personnel are not armed, they are not allowed to drive and they are restricted in their travels. At the moment they accrue no benefits for themselves or their families, even though they are serving in an area of operation where other Defence Force personnel under the Blue Beret are receiving full benefits. They have to pay full taxes, they do not get any allowances and, in one case reported to me, one soldier’s mother, who has a heart condition, had no way of contacting her son. These soldiers’ families have not got the access to welfare and support or removal to the nearest family member which is usual in these circumstances. To their credit, senior management within local units in the Top End are appalled at this situation. I would be very surprised if land headquarters were not equally appalled.

I have raised this issue with Minister Scott’s office. Minister Scott’s office has failed to return the calls. This is symptomatic of the contempt in which I believe Minister Scott, his office and some areas of the Department of Defence are holding Australian Defence Force personnel. This is a minor issue—an important issue but, in the scheme of things, small. It is not something which would cost a lot of money, but apparently it is administratively too difficult to do.

I am putting the government on notice that I will continue to raise this issue until it is fixed. I will do all in my power to embarrass the government into fixing this problem today. If they will not fix it today, I will continue until they do, just as I will not rest until the issue of remote locality of leave travel is properly addressed. Let there be no doubt about what the issue is there. I have had a running battle with the Minister for Veterans’ Affairs, Minister Scott, on this issue. I will not detail what remote locality leave travel is—because I have done before in this place and the Hansard is there for people to see—other than to say that there has been a dramatic decline in the dollar value of the entitlement.

The minister says, ‘The entitlement still remains.’ That is true. He will not acknowledge that, as a result of the changes which have been made to the way in which the entitlement is administered and the arrangements that the Department of Defence have got with Qantas Airways, the dollar value to the Defence Force personnel so affected has declined substantially, to the point where many Defence Force personnel are unable to take their leave because they cannot afford to pay the difference between the remote locality leave travel entitlement and the cost of the airfares to the destination to which they want to go—say, Sydney or Melbourne.

As recently as last week, I spoke to Defence Force personnel in Darwin who said to me that this is an issue of grave concern to the Defence Force community. It has been raised with the minister on a continuing basis for the last seven or eight months—certainly, it was raised at almost this time last year—yet he has failed to do anything about it. The cost of addressing this, I am advised, is around $10 million. I also understand that there are savings that have been achieved as a result of the impact on fringe benefits tax. For the sake of $10 million, this
government has dramatically eroded the morale of Defence Force personnel in the Top End of Australia.

I think that is an outright scandal. When I see the Minister for Defence get on his scrapers in the chamber, trying to say what the government has done to advance the cause of defence in Australia, I want to say to him that what they have not done is the basic work of addressing the fundamental needs of Australia’s Defence Force personnel in order to ensure they stay committed to the job that we need and want them to do. This government has failed the Australian community. This government needs to pay attention, put its eye on the ball and understand that, if we want to have an adequate and capable Defence Force, we have got to look after service personnel.

Whilst in East Timor, I was appalled to learn that the senior Australian officer, General Smith, has been advised that when he comes back to Australia he will have no job. I do not know what is behind that, but I have to say that, given the experience of this gentleman and the work that he has done over the last 12 months, an explanation needs to be given by the government.

Mr SCHULTZ (Hume) (11.07 a.m.)—Over the past year, the government carried out a fundamental review of Australia’s defence policy in order to form the development of a white paper. The white paper which was released in December last year—Defence 2000: Our Future Defence Force—is the most significant statement on defence policy for more than a decade. It communicates the outcomes of the government’s rigorous consideration of key issues facing defence into the future.

Specifically, the white paper addresses Australia’s strategic environment, our national defence and strategic interests, and our important strategic relationships. It outlines the key roles that the Australian Defence Force must focus on in the future and provides a comprehensive plan for the future capability development of the Australian Defence Force. One of the key planks of the white paper is an increase in defence funding of an average three per cent per annum in real terms over the coming decade, with an immediate increase of $500 million in 2001-02 and $1,000 million in the following year. In all, defence spending over the decade is expected to increase by a total of $23.5 billion in real terms. The press and the public have received the white paper extremely well. Strategic analyst Alan Dupont, writing in the Australian, said:

This is the best White Paper on Defence in the past 25 years. It provides a strategic roadmap ... a good outcome for defence and the country as a whole.

Professor Paul Dibb, architect of the Labor government’s 1986 review of Australian defence needs, which led to Kim Beazley’s 1987 defence white paper, said that it is ‘arguably the best defence white paper Australia has produced’. Newspapers across Australia have also hailed the government’s achievement. The Advertiser called it ‘realistic and sophisticated’; the Sydney Morning Herald, an ‘impressive document’; the Australian Financial Review, a ‘positive path to future security’; and the Australian, a ‘level-headed response to Australia’s defence needs’. Implementation of the policy directions outlined in the white paper has already commenced, with the signing of the AEWV contract and the release of the tender for armed reconnaissance helicopters, and will be further developed throughout the year.

The government’s defence white paper is a commitment to the defence of Australia and the future needs of the Australian Defence Force. The Australian public were also given the chance to tell the government what they believe should be the priorities of Australia’s armed forces. The community consultation process established this white paper as one that not only the government but also the Australian people can be proud of.
With this in mind and unlike the Labor Party’s approach to defence, the coalition believes that the military is not just for show; its equipment must be the best in the world. As we showed in East Timor, we have a world-class defence force. But complacency will see quality fall. The defence white paper will see the Australian military meet our immediate and long-term defence objectives and our commitment to global security.

The government has recognised the need to upgrade our defence equipment and to have the troops required to man the equipment and meet our strategic challenges. The new acquisitions that will be included in this upgrade are two squadrons of armed reconnaissance helicopters, additional troop-lift helicopters, airborne early warning and control aircraft, tactical unmanned aerial vehicles, $13.5 billion to replace and/or upgrade the ageing FA18 Hornets and F111s, and new combat systems and platform modifications for all six Collins class submarines.

The government’s defence white paper included valuable initiatives which will provide benefits to communities across Australia. A significant amount of the increased investment and funding announced in the white paper is expected to be spent in this country. A number of specific measures contained in the white paper will be of particular benefit to regional centres. They include an expansion in the number of infantry battalions at a level of high readiness from four to six. This commitment will continue beyond the East Timor deployment and generate ongoing benefits for Darwin, Brisbane and Townsville, which are home to large defence communities. Further, two squadrons of armed reconnaissance helicopters will be based in Townsville and Darwin, with additional training facilities developed at Oakey, Queensland—this must have been received very positively in those areas. Other measures include the airborne early warning and control aircraft project, which will bring significant work to the Hunter and Brisbane regions, with aircraft eventually being based and maintained at Williamtown, New South Wales and platform modifications and an upgrade program for the Collins class submarines, which will continue at the Australian Submarine Corporation facilities in Adelaide, South Australia.

We have also a government commitment to maintain the F111 as our principal strike platform, which will have important long-term benefits for the community of Amberley in Queensland; a new army combat training and evaluation centre to be established in Townsville; a commitment to build three air warfare destroyers, replace the current patrol boats and support ships, and upgrade and modernise Australia’s service fleet, which will provide significant opportunities for the domestic shipbuilding industry and related industry sectors; and the upgrade of 350 M113 armed personnel carriers, which will provide additional work in the Albury-Wodonga area—to be gratefully received by that community, I know. Another positive contribution to Australian industry is the further development of the Nulka missile decoy system, which will provide work opportunities in South Australia. And the provision of opportunities for companies around Australia to tender for a range of upgrade and modernisation projects for aircraft, ships, vehicles and communication systems is to be commended. I am sure industry will receive it very favourably.

I mentioned the Collins class submarines. I know that the upgrading of the Collins class submarines will be of particular interest to the Leader of the Opposition—although he does not seem as proud of them now as he was when he launched them. We can only hope that he does not put the same level of interest into other areas of defence, because I do not think we could afford it.
The government has also recognised that there is no point having the best equipment in the world if you do not have the skilled personnel to man them. The government’s commitment to ADF personnel is obvious when you see that we will spend over $4 billion on personnel under the provisions in the white paper. The greatest challenge is to increase the number of troops from 52,500 to about 54,000 full-time personnel by 2010. To do this, the government will make military life more accommodating for families, as the drain of talent from the middle ranks is often caused by the harsh facts of military life. In this area, the ADF will concentrate on limiting the impact of postings on families. It will improve education and training, aligning Defence Force education and training with the national training framework. It will be illustrating to employers the benefits of employing reservists due to their increased military-learnt competencies. It will be improving military postgraduate education and educational service at the Australian Defence Force Academy and using innovative and flexible learning techniques.

We also stress that there will be an improvement in links with the Australian Services Cadet Scheme. I think that is a very positive contribution. As a person who sponsors a number of cadet units in the electorate of Hume, I am very pleased to see that happening. That improvement in links will come through the Naval Reserve Cadets, the Australian Army Cadet Corps, and the Air Training Corps. In 1999, 22 per cent of full-time ADF personnel and 25 per cent of reservists had once been cadets. Currently, there are 25,000 cadets in 417 units throughout Australia, providing youth development programs and a taste of military life. There is no better funnel for people to the Defence Force than the cadet system. The government will also increase cadet funding to $30 million a year by the year 2002. The cadet scheme obviously provides mental and physical challenges. It also enhances self-esteem and self-discipline, so readily received by the community today and in the past.

Revolutionising the role of the Australian Defence Force Reserve, which comprises 42 per cent of the total Australian Defence Force, includes measures such as recognising the importance of reservists to our total defence capacity, protecting reservists’ civilian jobs and supporting their families and employers. An amount of $20 million a year will be made available for financial assistance to employers and self-employed reservists who are required for extended periods of training or operational deployment.

The government is leading the way by instituting leave policies and employment practices that support reservists undertaking ADF training or deployment. It is also in the business of recognising the unique skills reservists bring to defence through their civilian roles and of training reservists in skills that will be recognised in the private sector and that improve their employability. This will result in better recruitment and retention strategies.

The other great problem is the retention of the troops that the ADF has already trained. The fact that the private sector headhunts defence personnel is a testimony to the quality of the training and of the people in the ADF. However, this does create a problem in the middle ranks. As the paper says:

Recruiting, developing and retaining high-quality people in our Navy, Army and Air Force is essential to turning weapons, equipment and systems into world-class capabilities.

To solve the departure of skilled personnel, the government will structure a military career to the needs and expectations of the skilled people it attracts every year. The government will create remuneration packages to meet the needs of personnel with a pay system that goes beyond paying on the basis of rank and acknowledges skills as well, taking account of labour market forces and recognising people’s expectations of a military career. It will also adopt a long-term care approach to people’s careers within the ADF, focusing on superannuation, compensation and entitlements.

It should be remembered that Australia is maintaining its position as a peaceful member of the world community with the ability to join and lead such forces as UN peacekeeping mis-
sions. The most obvious is the superb recent effort of INTERFET in Timor. However, if the opposition had had its way, defence would have been cut in our first budget. Instead, thankfully, the Australian Defence Force was capable of meeting the East Timor challenge—a crisis on our doorstep. Thanks to this white paper, any future event such as the East Timor deployment will be able to be met without placing an undue burden on our defence capability. The measures the government will adopt will allow the Australian Defence Force to meet multiple needs at the same time, independent of or in coalition deployment with other nations.

The government acknowledges that we are a nation with our own needs and imperatives. It places great importance on the alliance, on self-reliance in the defence of Australia and regional commitments. Conventional war and non-combat military operations such as humanitarian relief, evacuations, peacekeeping and peace enforcement are an integral part of Australia’s commitment to overseas agencies. In total, the government’s commitment to the Australian Defence Force has been reinforced and its future development has been guaranteed. After the neglect of the Labor years, when Mr Beazley was more interested in riding in tanks than in the care of the men driving them, this government is not only meeting the needs of the ADF today but is making sure that the ADF can meet the challenges of tomorrow. I commend the white paper to the chamber.

Mr ALLAN MORRIS (Newcastle) (11.21 a.m.)—This white paper—Defence 2000: Our Future Defence Force—is a useful document. We should really put it in context. This government, like its predecessor conservative governments, is desperately trying to recreate the fifties and sixties for the khaki election. Let us remember that, back in 1980, when the Russians invaded Afghanistan, the Fraser government used it as a platform to generate a whole raft of defence activities. If we think back to 1980-81, we remember that they initiated a submarine project, a new surface combatant and a replacement for the M113s, Project Waler. They were active in terms of the F111 replacements, which was also a Menzies khaki election exercise back in 1966. And lo and behold—what goes around comes around—we have a conservative government in office, heading towards a bad election, so we see a whole new raft of defence spending, a massive spending program. Funny about that; it seems to be a recurrent theme on the conservative side of politics.

The tragedy is that to establish that credibility they had to do a great deal of damage to defence. And damage they did, in two key areas. The first one is perhaps the most difficult to correct in the longer term. I refer to the damage to defence industry and defence manufacturing. There was a cavalcade of meetings around the countryside, chaired by Andrew Peacock and others, in order to talk to the community. That is not a bad thing to do; it is quite a useful exercise. The interesting thing was not the discussions that took place but the discussion paper that was issued—and not what it contained but what it did not contain. That discussion paper did not contain reference to defence industry. In other words, all those people who orchestrated this exercise and the consultation with the community in order to set the standards and the future direction of defence are saying that industry was not mentioned. Let me tell you, Madam Deputy Speaker, what the community did, because the community understands that self-reliance, sovereignty and some sense of independence require us to have a capacity.

I will come back shortly to the Fraser initiatives and what did not occur at that time. But staying on the theme of defence industry, it is fascinating to look at the white paper. In chapter 9, paragraph 9.12 states:

The Government will also seek to make greater use of off-the-shelf purchases ...

What does ‘off-the-shelf purchases’ mean? It means we will not do it ourselves; we will import ready made. A good example of that is contained in this week’s Courier-Mail, which talks about the AWACs and the work that was going to go to Amberley. I am sorry, Queenslanders, but you missed out. Because they have reduced the order from seven to four, it will
now be done in America, purchased off the shelf. The insight into this government’s real understanding of defence is clear from this discussion paper. Industry is not mentioned and what flows through is industry being wiped out. There will be a greater use of off-the-shelf purchasing. More importantly, in the buying strategies and processes, the acquisition processes do not factor in Australian production.

I return to Mr Fraser’s proposals in 1980 for a whole raft of defence equipment. The proposals were all initiated but provision never was made for them in the budget. The funds were not projected so there was a spend of an enormous dimension coming along but no money. One has this terrible feeling that we are about to see that all over again. One has a real sense of déjà vu because this conservative government is projecting a whole raft of new defence spending but, somehow, there ain’t no money. But they are a little cleverer this time, because in the last five years the government have deferred defence spending. A whole stack of products that were to have been acquired have been postponed. AWACS is one example. There were supposed to have been seven Boeing aircraft for the airborne early warning system. That project has been deferred over and over again, and the number of aircraft has now been reduced to four. The other example—a very dramatic example—is the patrol boats. The patrol boat program was agreed to by both sides of politics literally years ago. It is not a controversial program. There is no argument about it; the patrol boats are required. But these things have a long lead time. The companies that build these products take a long time to get organised and the tendering process is a long one. This government has postponed the patrol boat program for the three years. The request for tender was supposed to have come out in March last year—final last offer, absolutely guaranteed. And what happened? It was postponed for the white paper. So the white paper is being used as a vehicle to postpone a stack of expenditure and as a vehicle to project expenditure. As I said, I have a terrible feeling of déjà vu.

There is a strident battle here to create a khaki election, and we have been watching the new minister who was put in position to create that situation. The previous minister would not have been all that good at it. He might have been able to do it strategically and tactically but on the floor of the chamber he might have had some difficulty. To create the potential for a khaki election he had to be replaced. And what is the result: a by-election on Saturday week to achieve the khaki election potential with a minister who does not much care what he says, who is not all that careful with the truth and who is able to distort the situation; a minister who has no real background in defence and very little knowledge of it, other than what he has learned in the last week or two. What price will the community pay for the by-election? Probably half a million dollars. That money would have been better spent on defence. We have already wasted a certain amount of money—getting rid of the previous minister had an enormous public cost—but, ironically, in this case eventually there will be quite a substantial cost to the government. In a sense, the situation has turned and bitten them—deservedly so, because they have played so fast and loose with it. But the government have done the most damage to something different: the submarine project.

We have built in this country the world’s best diesel-electric submarine, and we all know it. The attempt by this government to turn the submarine project into a political issue is disgraceful. The government have done much more than hurt the submarine project itself; they have done enormous damage to our companies and to our credibility. This particular company has established its credibility because of its skill, but its capacity to project that skill across the world has largely been destroyed. The government have, for political gain, destroyed the credibility of a key Australian company.

How did they do that? What has happened to the submarine project? What is the real story? The Sydney Morning Herald published an article a few weeks back which started to get towards the real story but it did not actually have the full story. The factor in the submarine project that has caused most difficulty is the combat system. Let us look at the history of that
combat system and how we tendered for it. There were two separate and distinct strands to the tendering process for the submarine project: the platform for the vessels and the combat system. We ran two separate competitions. The project was, I should point out, initiated by the Fraser government—we simply picked it up and continued with it. Commander Graham White, who was appointed by the previous Liberal government, was initially in charge of it. The current Prime Minister was at that time the Treasurer. When we came into government the process was well in train. Six or seven companies—including German, Swedish, Dutch and British companies—competed in the tender process for the platform of the actual vessel. The selection process narrowed the number of companies down to two—the German company HDW-IKL and the Swedish company Kockums—for the platform, for the actual vessel.

For the combat system, their leading contender was always Rockwell from America. The eventual competition for that was between Rockwell and Celsius. There were two separate bidding systems, two separate exercises and two separate contracts. Let me tell you what Navy thought of Rockwell back in those days. Rockwell was far and away the world’s best developer of combat systems. It was the company that did the big American nuclear submarines and it was seen as being light-years ahead of the rest. In fact, the Navy did not want to have a competition. They wanted to give it to Rockwell without a competitive process. That was declined because the decision had been made years previously to have a competition. But the Navy view was that Rockwell could do it and it was unchallenged. In the competition that was held, Rockwell was eventually successful, but after quite a bit of modification to its tender.

The fact is that Rockwell could not complete their contract. It had nothing to do with the Submarine Corporation and nothing to do with Australian capacity. The world’s best company in this technology were unable to meet their own specifications and unable to complete their own tender. While we were in government they tried week in and week out to break the contract, and we said no. The contract that was drawn up in the technology of the mid-1980s was automatic. The fixed price contract said, ‘You’ve been paid this price and you will provide this product.’ Rockwell eventually admitted that they could not provide it and wanted to change the details. They wanted to change the hardware, the software or anything, because, once they could change one bit of the contract, they could change the price.

This particular project destroyed that company. Rockwell eventually collapsed. They were taken over by Boeing and have in turn been passed on to Raytheon. So this single process destroyed the world’s leading submarine combat system developer. We all know that; this is not news. This is well known and understood, but this government and conservative politicians have used it for political gain at enormous cost. This government has now agreed to break the contract. It agreed to release the company—Raytheon as it is now; Boeing as it was at the time—from this proposal. And guess what? The price has gone up because, in releasing them from the contract, the government has renegotiated a price—something that we refused to do. We insisted they meet the contract.

Remember, these contracts also had penalty clauses. I wonder how much of that has been exacted from the company. I also wonder how come there is now such confusion over who owns the intellectual property. I understand that the government is now saying, ‘It belongs to the company.’ The Australian taxpayers have paid hundreds of millions of dollars for the development of those systems and it now seems to belong to the company itself. And guess what is happening right now? Guess who wants our submarine?

**Mrs Crosio**—The Americans.

**Mr Sawford**—The Americans.

**Mr ALLAN MORRIS**—The Americans. We have watched this charade in recent months with the Americans vetoing the sale of the Submarine Corporation to Germany. Why are they...
doing that? What has it to do with them? They were not involved. They were involved with Rockwell way back, but Rockwell is long gone and we have taken responsibility. It is all our problem, not Rockwell’s. So how come the Americans are involved? Because they want the submarine. We are about to see in the next few months an attempt by the Americans to buy Submarine Corporation, not to build submarines but to buy on the cheap the world’s best diesel electric submarine. They know it is the world’s best and we know it is the world’s best—except this government, for political purposes, wants to blacken it. The damage that has done to our industry and our reputation around the world is enormous.

I have talked to a number of defence companies over a lot of years. Let me tell members of this government that what you have done to those companies is unforgivable. You have virtually wiped out our defence capacity, starting with Bronwyn Bishop back in 1996—an absolute joke. For a Minister for Defence Industry, Science and Personnel to do that was an absolute joke. The running down and breaking up of our defence relationship with our industries was scandalous and it has not stopped. It was indicated in a discussion paper that it did not even exist; it was not even up for discussion. And the white paper says, ‘We’ll buy more off the shelf.’ Bully for you. We are back to the 1970s and the Fraser government, where we went and bought the latest American or the latest German technology, were part of the world club and no longer had an industry capability.

What companies have we got left? Who is available in the defence field to do major work? Who are our next prime contractors? What are our companies doing? They are collapsing all over the place. In the middle of all this has been the manipulation of the submarine as a key political issue. The government and their members will eventually be called to answer for that because what they have done is unforgivable.

We in this country have an enormous capacity. We have talented people with great design skills. We now have the world’s best people in the design of diesel electric submarines. We have spent a fortune training them. We knew we were doing that and we knew it would be expensive, but it was a good investment—but only if we keep using it. To make the investment and then junk it is a disgraceful waste of public money, and that is what you have done.

You have actually marginalised and junked the skills of hundreds of people in defence electronics, software and design, and you should be held accountable.

(Time expired)

Debate (on motion by Mr Sawford) adjourned.

ADJOURNMENT

Motion (by Mrs Elson) proposed:
That the Main Committee do now adjourn.

Australian Labor Party: Women

Ms ROXON (Gellibrand) (11.36 a.m.)—I am very pleased to be speaking today on the International Women’s Day in the year of our Centenary of Federation. I was hopeful that the member for Prospect, who has just recently left the chair, might be in the chair for this speech. She is one of many great Labor women who are very proud to be part of the Labor Party in this year of our Centenary of Federation.

We were very pleased with ourselves last year when we achieved a milestone at the same time that our nation was celebrating and becoming 100 years old. We achieved the milestone of having 100 sitting Labor women members of parliament across our state, federal and territory parliaments, which is quite an achievement, as you would know. In the very short space of time since that milestone was reached last year, we now have, after the Western Australian and Queensland elections, some 122 sitting Labor women members of parliament. That is a great achievement. It is interesting that the members opposite today are both women too; we see the numbers going up on all sides. But the member for Prospect and I think we have a
little edge here and are very proud to be part of the Labor Party. We are hoping to make it 123 if the Ryan by-election is successful for our candidate.

I have recently been appointed as the National Convenor of the Labor Women’s Network, and I want to take this opportunity to promote a coming event which is part of the celebration of the Centenary of Federation. It is called ‘100 years: 100 women’—we are going to be able to update that title, as I say, because we now have well over 100 women in parliament. We are going to be honouring the women who have gone before us, celebrating the women who are currently actively part of the Labor Party and encouraging those who will come after us. For the record, this event is going to be held on 6 May in Melbourne. I would like to record my thanks here to Julie Warren, Monica Gould, Melanie Raymond, Kate Dunn and Katie Hall for the work they have done in creating this event.

I know it will not appear in the Hansard, but I want to show members in the chamber the fantastic picture that is on the invitation to this event. It is a picture of the delegates to the women’s convention at Trades Hall in Melbourne in October 1912. It is a fantastic photo of an extraordinary number of women, but sadly very few of them are well known as part of Labor’s history.

Part of the event in May is a launch of a project called ‘Labor Women, Our Story’. Many of us are determined to make sure that some of the gaps in our history do not occur again. We are going to be calling for all Labor women across the country to give us a little snapshot and story about their involvement in the Labor Party and the Labor movement. We are hoping they will also take the opportunity to give us a snapshot of any role that their mothers, aunts, neighbours and other people have played in the past. We want to put together a book, which will have records of the many thousands of women who are actively involved in the Labor Party across the country. In another 100 years, we will not be in the sad position where we have fantastic photos from the past of activist Labor women we cannot identify.

Whilst we are pleased that there are so many women now coming into our parliaments, in fact they are often the ones who do get the most recognition, but there is a lot of quiet and very strong work being done by many thousands of women who we are hoping to recognise. I am hopeful that many of the members here will participate in this project, as well as other Labor Party members across the country, and will attend that event in Melbourne. I know that it will be a great day for everybody.

I would also like to take the opportunity to briefly mention a local event that was held in my electorate on Sunday for International Women’s Day. It was called the Women’s Fair, and it was a fantastic day. It was held outside the Footscray Community Arts Centre. Over 1,500 people attended. It takes quite some effort, as you would all know, to get people to attend any sort of community event. It was a beautiful event, held outside the Footscray Community Arts Centre, with a lot of training rooms and forums where I think the women’s circus put on training sessions for the kids that attended. There were writers forums and a number of other forums, as well as many cultural dances and performances. I would like to thank Jaya Manchikanti, Miriam Munoz, Melba Marginson, Cuc Lam and also Dure Dara for opening the day and the Footscray Community Arts Centre for hosting the event. I congratulate them. I hope that this will become an annual event in my electorate for the women of the western region of Melbourne.

Makin Electorate: Salvation Army

Mrs DRAPER (Makin) (11.41 a.m.)—I am delighted to inform the Main Committee that I attended, in my electorate of Makin, the official opening and dedication to Colonel Les Strong of the Salvation Army complex at Greenwith. The invitation was extended to me, on behalf of
the Salvation Army Greenwith community church, by Lieutenant Colonel Vic Poke, the divisional commander. It was a great honour to accept the invitation to address the congregation at the opening and dedication service by way of civic greeting and presenting our Australian flag.

This Salvation Army has now been at Greenwith for nearly seven years, and the official opening and dedication service at the complex at Greenwith celebrates the tireless efforts of members whose aim is to live out the Salvation Army’s mission statement, part of which reads:

The motivation of the organisation is the love of God and a practical concern for the needs of humanity. This is expressed by a spiritual ministry, the purposes of which are to preach the Gospel, disseminate Christian truths, supply basic human necessities, provide personal counselling and undertake the spiritual and moral regeneration and physical rehabilitation of all persons in need who come within its sphere of influence regardless of race, colour, creed, sex or age.

Together with the Salvation Army members, I am pleased about the future of the Salvation Army at Greenwith. This new complex means that the fellowship will be able to continue to serve the community from their own facility—which will now double as a place of worship and community centre for the Salvation Army in Greenwith—instead of having to operate out of rented facilities, such as the local schools and community halls, as they have in the past.

These activities include family church services; the kids church, which is Sunday school; Bible study groups; prayer groups; community needs-based seminars; the over 50’s club; youth group; keep-fit classes; playgroup; craft groups; and school holiday programs. They will all be based at the Salvation Army complex at Greenwith.

I would like to highly commend all of those people responsible for making this dream, seven years in the making, possible. As the member for Makin, I would like to wholeheartedly congratulate them for striving to fulfil their dream so tirelessly to ensure that the members of their local community could share their resources. May I also take this opportunity to congratulate, in this International Year of Volunteers, all of the volunteers who helped to make their dream a reality.

**Aviation: Bankstown Airport**

Mr MELHAM (Banks) (11.44 a.m.)—The people of south-western Sydney continue to be betrayed by the Howard government. I refer specifically to the callous decision taken by the government in December 2000 to allow jet aircraft into Bankstown Airport. This decision is clearly an attempt at short-term political gain by a government which heartlessly believes it has nothing to lose by alienating the people of south-western Sydney. The community is being treated with scorn by a government which persists in disregarding the views of people whose quality of life will be impacted by this cruel decision.

Why is there such contempt for the people of Bankstown and the neighbouring areas? Consider the electorates surrounding Bankstown airport: Banks, Blaxland, Lowe, Reid, Watson, Barton, Fowler and Hughes. Apart from the last, what do all these electorates have in common? That is right; they are all held by the ALP, with the exception of Hughes, and even there, coalition voters must have begun to question the extent to which their interests are being represented. The naked self-interest and political game-playing evidenced by this government are crass in the extreme.

The decision to allow expansion to accommodate jets at Bankstown Airport is totally at odds with the views of the people of Bankstown and the surrounding area—not that the government would be aware of this; they have not asked. The decision is contrary to the findings of any of the previous studies on the utilisation of Bankstown Airport. Had any community consultation taken place, the government would be aware that the majority of people living in and working around Bankstown are used to living with the airport. They are accustomed to
the fact that the airport ranks fifth highest in the world in relation to general aviation movements. People purchased homes in the areas and established lives for themselves and their families knowing that Bankstown Airport functioned as a busy airport which provided local employment. They did not purchase their homes on the basis of a massive increase in noise levels and air pollution from jets, which will be the direct result on their lives from this malicious decision by a government in trouble.

The Bankstown community coexists with the airport as it is, but they want no expansion of jet movements into the community. My electorate office and, I am sure, those of my colleagues in the surrounding electorates, are receiving a significant number of queries each week from worried members of the public who are concerned that they should consider moving from the area. In addition, there has been no consideration of even minimal infrastructure to support any expansion to accommodate jets. We have a picture of a community that is seriously concerned about the future.

The lack of interest by a jaded government in consulting with the people it purports to represent is most clearly evidenced by the lack of an environmental impact statement. The 1997 EIS completed for Badgerys Creek found that Bankstown Airport was not viable for jet aircraft. Any change in the airport function would have a significant impact on the existing general aviation facilities as well as raising environmental issues for the nearby communities. Any changes, according to that EIS, would still not satisfy long-term air travel demand for Sydney.

We in south-western Sydney are used to being held in contempt by this government. Only a few years ago, Holsworthy was announced as an option for a second Sydney airport. When, and only when, community outrage was articulated was there any response to that anger, and the government performed one of its ongoing backflips. The campaign against Holsworthy has blooded the people in and around my electorate. We will be taking the debate up to and in the face of this cynical government. Community action, with the support of the local councils, commenced days after the announcement in December. At a rally of over 3,000 people in February, there was no-one present prepared to attempt a justification for the government’s decision.

This government has refused to learn from its mistakes. Once again, a decision is announced before any consideration is given to the consequences of that decision. Over recent weeks we have seen myriad examples of the lack of forethought given to its decisions by this government and the resulting backflips required to placate voters—desperate attempts by a desperate Prime Minister. No wonder the polls are reflecting what the Australian public has known for some time. The voters, including those in my own electorate of Banks, are not so easily fooled. This decision on Bankstown Airport was thoughtless and mean-spirited. In 2000, the Prime Minister ruined Christmas for the people of Bankstown. I can assure the Prime Minister that his present for Christmas 2001 will be to pack his bags and leave Kirribilli House, as he searches for a new home after the election. The people of south-western Sydney and, indeed, across the country, will return in kind the contempt in which this Prime Minister holds them.

Education: Queensland

Mrs ELSON (Forde) (11.49 a.m.)—I rise today to call on our state Minister for Education in Queensland, Anna Bligh, to stop the Queensland Teachers Union from using state schools to distribute a leaflet full of falsehoods and political propaganda to Queensland parents. The minister needs to get the message very loud and clear that Queensland parents do not want their schools to be used as an outlet for political propaganda from the unions. Parents expect their children to be taught at school respect for the truth and the facts. The union is attempting to use state schools to peddle a pack of outrageous falsehoods. Anna Bligh must act swiftly to
assure Queensland parents that she has the strength to take control of this attempt to misuse the public school system. The leaflet is part of a union movement campaign against federal school funding arrangements, and it contains some outrageous and misleading claims. The QTU leaflet claims:

The Federal Coalition Government has ripped millions of dollars from state schools.

The fact is that the Commonwealth government has poured more money than ever before into Queensland government schools. In the year 2001, Commonwealth funding for government schools stands at a record $416 million—that is a 6.6 per cent increase over the year 2000 and a 43.7 per cent increase over the year 1996 when the Labor government was in power. The QTU leaflet also claims:

State Schools are getting a raw deal...

And they sure are from the Beattie Labor government. The last Queensland state budget increased government school funding by less than one per cent, described at the time by the same union president, Julie-Anne McCullough, as ‘a standstill at best’ that provided ‘no extra funding in real terms’. The QTU leaflet also claims:

... private schools are getting nearly twice as much Federal funding as state schools.

More than 60 per cent of total funding for schools flowing through the Commonwealth budget goes to government schools. Government schools get three times as much public funding as non-government schools. Public funding is around $13 billion a year for the two million students enrolled in government schools compared with $3 billion for one million students in non-government schools. In the year 2001, every student at a government secondary school will receive an estimated $6,980 in public funding. Students of the neediest non-government secondary schools will receive only $4,886, while those students in non-government secondary schools serving the wealthiest communities will receive a mere $957. The QTU leaflet goes on to claim:

The Commonwealth’s funding arrangements favour rich private schools.

The fact is that the new SES approach to funding of non-government schools is more transparent than before, with objective measures based on independent data that are consistent for all schools. The new SES model shows that some of the schools considered wealthy under the old model serve middle and lower income communities rather than rich communities. These schools should receive funding increases according to need. Category 1 schools, the so-called rich schools, enrol 5.4 per cent of all non-government school students nationally. However, they receive only 2.5 per cent of total Commonwealth general recurrent funding. It is essential that the parents understand that there are blatant and brazen mistruths contained in the QTU leaflet and that they ignore them. Anna Bligh should assure Queensland parents that she will not allow the state’s schools to be used as part of the QTU political propaganda machine. If Minister Bligh refuses to stand up to the Queensland Teachers Union, I will be calling school principals in Forde and asking them to also distribute information to parents to counter the QTU lies and set the record straight.

Ryan Electorate: By-election

Mr Rudd (Griffith) (11.53 a.m.)—The people of Ryan are about to go to the polls in Queensland on 17 March in a by-election that could only be described as a completely unnecessary by-election and one which will cost the taxpayers of Australia at least half a million dollars. Why are we having this by-election? Because there has been a personal spat between the former Minister for Defence, Mr Moore, and the Prime Minister. The Prime Minister said to Mr Moore that he wanted Mr Reith, then the Minister for Employment, Workplace Relations and Small Business, to become defence minister. The response of the Minister for Defence, Mr Moore, was, ‘If that is going to be the case, then I am out of here altogether,’ and he packed up his bat and went home. So we have a by-election, costing the people of Australia
half a million dollars. The interesting question, which I think has yet to be properly explained to the House, is: where actually does John Moore’s untimely exit, shall we say, from the House of Representatives fit in terms of the late by-election stakes in the history of this parliament, in the history of the Australian Federation? Thanks to the Parliamentary Library, which I commissioned to undertake some research on this, I have discovered that, since our parliament first convened in 1901, there have been 23 by-elections held at least two years after a general election.

If we look at the 23 by-elections which have been held in the third year of a three-year parliamentary term, the party breakdown is very interesting. Nineteen of those late by-elections were from non-ALP and four were from ALP representatives. Of the four from the ALP, one died in office and the other had a by-election occur as a result of ill-health. The other 19 were from non-ALP parties. If we read the list of the reasons why some of these people had late by-elections, we see that we had by-elections in 1909, 1919, 1928, 1928 again, 1936, 1936 again, and a couple of others as well, where the stated reason for the early by-election was the death of the member. I think most of us would accept that as a reasonable reason for having a late by-election. It is generally regarded as being beyond the immediate control of the member concerned.

Let us look at some of the other reasons why people had late by-elections. Let us go, for example, to the case of Dick Casey, who was a minister of the government. He had a late by-election. Having been elected for two years and four months, he had a by-election in March 1940 in order to become our first minister in the United States at a time of national emergency. Most of us would not have a problem with that. We even look at ‘Ming’ himself—Pig Iron Bob. He held on for two years and four months before retiring at the age of 71. Even on this side of the House, we are respectful of the great man’s desire to exit the place with some dignity at a time of his choosing—but that was two years and four months. Let us look at others, such as Sir Paul Hasluck who retired from this place after just on two years and five months in order to become Governor-General of the Commonwealth of Australia. Again, that is not a bad reason for exiting the place.

However, when it comes to John Moore, the former member for Ryan, we find that he had no such reason for an early departure. In fact, when we compare him with those who had late by-elections in the history of our federal parliament, John Moore comes in as winning the centenary bronze medal for late-term by-elections—that is, he has come third in terms of exiting this place in an untimely fashion very close to the impending holding of a general election. He is only beaten by Mr Ian Allan from the Country Party, who reached two years and seven months after a general election in 1969 before causing a by-election. He went on to become Secretary-General of the ANZAC Agency of the Commonwealth War Graves Commission. To me, that sounds like a worthy body as well. The person who wins the silver medal in terms of late departures from the parliament immediately prior to a general election is Mr Arthur Coles. He was, I understand, a pro-conservative leading Independent who was the member for Henty and went on to become Chairman of the British Commonwealth Pacific Airlines Corporation. Given that position, he probably was not pro-Labor at the time.

So with John Moore, the former member for Ryan, we have the centenary bronze medallist in terms of leaving this place early. I note from the smiles of those opposite that it has caused some inconvenience to people in the Liberal Party as well. As we go doorknocking in the suburbs of Ryan with our candidate, Leonie Short, the people give us one single message: John Moore has not only been a missing member for 25 years in the federal division of Ryan but he is now costing us, as constituents of the electorate of Ryan, half a million dollars because he could not hold on for just a few more months until the general election was due. Well done, John Moore, the centenary bronze medallist; you may not have made it to Wimbledon, but you got a bronze medal here. (Time expired)
Film Classification

Mrs DRAPER (Makin) (11.58 a.m.)—Those on this side of the House are absolutely stunned and amazed that Labor Party people have nothing better to do than all this ridiculous research. It is possibly disappointing for the Labor candidate in Ryan that she chose not to have the Leader of the Opposition, Kim Beazley, launch her campaign. She used an impersonator.

Mr Rudd—And that John Howard got a terrific reception up there, don’t you agree?

Mr DEPUTY SPEAKER (Mr Nehl)—The member for Griffith has had his turn and he will be silent.

Mrs DRAPER—I just cannot understand why the Labor Party in Queensland is too frightened to bring out its opposition leader for campaign purposes. However, on a matter relating to classification, may I say that I am delighted that the Senate has passed amendments to the Classification (Publications, Films and Computer Games) Act 1995, the legislative centrepiece of the national classification scheme for publications, films and computer games. According to the Attorney-General, the amendments, which were agreed upon by the states and territories and supported by the opposition, will come into effect following the passage of complementary amendments to state and territory classification enforcement laws.

The amendments contain many improvements of a procedural and technical kind to streamline the classification procedure. Under the new arrangements, the range of films that are exempt from classification will be expanded to include certain current affairs, hobbyist, sporting, family, live performance, musical presentation and religious films. The exemptions will only apply to material that is suitable for children at the G or PG level. Additionally, the Classification Board will have power to determine whether or not a film is exempt from classification where there is doubt about its legal status. The Classification Board will be able to issue a serial classification for certain submittable publications and to require, in some cases, that publications only be sold in sealed or opaque wrappers. The new arrangements also clarify who may apply to the Classification Review Board for the review of a classification decision—in light of the Lolita decision, this is most welcome. Consequently, organisations or persons with a particular pre-existing interest in the contentious aspects of the subject matter or theme of the material concerned will be able to seek a review as a ‘person aggrieved’. These changes reflect five years experience of operation of the national classification scheme. They will provide benefits to the industry and the community alike.

This bill was originally designed also to rename the X category for sexually explicit films. At the same time, the government announced that the content of the category was to be further restricted. Those restrictions were implemented administratively by agreement with the states and territories, and came into effect last September. In this context, the government decided not to proceed with the proposed non-violent erotica classification because of concerns from many backbenchers and the community that it did not accurately reflect the content of the material. I make no apology for supporting the retention of the X classification.

Many constituents in my electorate would be aware that recently the film Hannibal was reclassified by the Classification Review Board from MA15+ to R18+. I believe this is an important decision, reflecting the legitimate concerns of our community with regard to the ever-increasing, unnecessary, gratuitous and graphic violence portrayed in films and other genres for the sake of entertainment. We have enough violence in our society without trying to teach our children that violence is entertainment or a way of solving problems, particularly in the manner of that film. The reclassification of Hannibal to R18+ is a win not only for my local constituents in Makin but for our society right across Australia.
REPRESENTATIVES
25548
MAIN COMMITTEE
Thursday, 8 March 2001

Pathological Science

Mr SAWFORD (Port Adelaide) (12.03 p.m.)—Before I start my contribution I would like to congratulate Kay Elson, the member for Forde, on being appointed this morning as the Chair of the House of Representatives Standing Committee on Employment, Education and Workplace Relations. She has commonsense and a realist approach, and I look forward, as deputy chair, to working with her.

Irving Langmuir provides us with a concept of pathological science. It is the science of things that are not so. It is the science of the ideological rather than the objective. It is the science of the qualitative but not the quantitative. It is the science of the spiritual but not the real. It is the science of the synthesis but not the analysis. It is found in various writings of gender studies around the world, especially the Western, English-speaking world. It is wrong! It is leading us, including in this country, down the wrong path. It discredits the social sciences as being bereft of analysis, scientific method and—more importantly—commonsense, and disconnected from reality.

Pathological science is science that leads nowhere, but often it goes on and on. In the United States it is funded to the tune of hundreds of millions of dollars, and it is funded in this country as well. When it exhausts one part of its study, it starts on another. What is happening in many English speaking countries, particularly in the United States and certainly here—but, interestingly, not the United Kingdom—is that gender studies has begun to take sight on boys. It now seems that boys are the victims of a male dominated culture. Current thinking of this kind is, perhaps, doing a great deal of harm to boys.

People put forward evidence of a qualitative nature and stare you down when you ask the obvious question, ‘On what quantitative evidence is that based?’ They look you straight in the eye and say that it is not required. The great guru of gender studies in the Western world is Professor Carol Gilligan, the professor of gender studies at a very substantive university, Harvard, who wrote the book A Different Voice—all qualitative research. There is said to be quantitative research; unfortunately, in 17 years of being asked by journalists and other social scientists to produce it, she refuses to do so. I wonder if it exists. I suspect it does not. There is value in qualitative research; it should not be dismissed out of hand, because it has something to offer. When it is not based on quantitative research, however, it ought to be ignored.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The time allowed for this debate has expired.

Main Committee adjourned at 12.07 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

Australian Taxation Office: Compensation
(Question No. 1518)

Ms Jann McFarlane asked the Treasurer, upon notice, on 10 May 2000:
(1) How many claims for compensation for defective administration were made to the Australian Tax Office (ATO) in each year since 1996-97.
(2) How many claims for compensation were successful in each year.
(3) What was the total compensation bill in each year.
(4) How many claims were made by tax agents on behalf of clients in each year.
(5) How many (a) successful and (b) unsuccessful applicants for compensation were subsequently audited by the ATO.

Mr Costello—The Assistant Treasurer has provided the following answer to the honourable member’s question:
(1) Up until 5 April 1998 claims under the Defective Administration Scheme were decided by the Treasurer or the Assistant Treasurer. On 5 April 1998 certain ATO officers were authorised to decide some defective administration matters. Relative to the number of taxpayers, (around 11.5 million, as published in Taxation Statistics 1997-98) defective administration claims are lodged by a miniscule number of taxpayers (less than 0.001 per cent). From 6 April 1998 – 31 December 1998, 110 claims for compensation for defective administration were made to the ATO. In 1999, 93 claims for compensation for defective administration were made to the ATO. From 1 January 2000 to 30 June 2000, 25 claims for defective administration were made to the ATO. The statistics for the period July to December 2000 have not yet been collated.
(2) In 1998, 39 of the 110 claims were paid in full, 24 were paid in part, 46 were rejected and one claim was withdrawn by the claimant. In 1999, 46 of the 93 claims were paid in full, 12 were paid in part, 34 were rejected and one offer of compensation was declined by the claimant. For the period January to June 2000, 9 of the 25 claims were paid in full, 2 were paid in part and 14 were rejected.
(3) In 1998, from 6 April through to 31 December the total compensation bill was $41,605.51 (an average of $660.40 per successful claimant). In 1999 the total compensation bill was $78,423.15 (an average of $1352.12 per successful claimant). For the period January to June 2000 the total compensation bill was $6,626.89 (an average of $602.44 per successful claimant).
(4) The information sought is not available.
(5) The information sought is not available. The fact that a taxpayer has received compensation for defective administration is not relevant to whether they will be selected for audit.

Goods and Services Tax: Real Estate Fees
(Question No. 1715)

Mr Andren asked the Treasurer, upon notice, on 29 June 2000:
In the transition to the New Tax System, will real estate management fees for residential property be GST-free until 1 July 2005 if signed before 2 December 1998, while fees for commercial properties will be GST-free until 1 July 2005 if signed before 8 July 1999; if so, why.

Mr Costello—The Assistant Treasurer has provided the following answer to the honorable member’s question:
Where the recipient of real estate management services is not entitled to full input tax credits, the fees are GST-free until the earliest of a review opportunity (as defined) or 1 July 2005, provided the supply of the services is under a written agreement signed before 2 December 1998 which identifies the supply and consideration for the supply.
This provision takes effect from the date of the introduction of the legislation into the Parliament, so as to minimise any behavioural changes in order to take advantage of GST-free status.
Where the recipient of real estate management services is entitled to full input tax credits, the fees are GST-free until the earliest of a review opportunity (as defined) or 1 July 2005, provided the supply of the services is under a written agreement signed before 8 July 1999 which identifies the supply and consideration for the supply.

This provision takes effect from the date of Royal Assent reflecting the often more drawn-out nature of the commercial negotiations involved and the relatively low incentive to change behaviour.

**Capital Gains Tax: Evasion**  
(Question No. 2059)

Mr Latham asked the Treasurer, upon notice, on 12 October 2000:

Has he received advice from the Australian Taxation Office regarding the incidence of tax evasion and tax minimisation following the Government’s decision to halve the capital gains tax rate; if so, what are the details.

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

The reduction in the capital gains tax rate was passed by the Parliament with the support of the Labor Party in both houses.

The ATO has not provided any advice regarding the incidence of tax evasion and tax minimisation in relation to reducing the capital gains tax rate.

**Australian Taxation Office: Gunton, Mr Mike**  
(Question No. 2172)

Mr Latham asked the minister representing the Treasurer, upon notice, on 28 November 2000:

(1) Further to the Minister’s answer to question no 1546 (*Hansard*, 4 October 2000, page 20847), what evidence can the ATO provide that it conveyed to Mr Gunton the appropriate information prior to the commencement of bankruptcy proceedings.

(2) Did the ATO send the information referred to in part (1) to addresses in the Sydney suburbs of Smithfield and Sutherland, even though Mr Gunton did not reside at these addresses.

(3) What evidence can the ATO present that Mr Gunton actually received the information referred to in part (1).

(4) Is the ATO aware that it forwarded Mr Gunton’s tax assessments in the mid 1980s to the wrong addresses; if so what are the details.

(5) What evidence can the ATO present showing that Mr Gunton earned income from a commercial enterprise in 1981, 1982, 1983 and 1984 and has it ever conveyed this evidence to Mr Gunton; if so, what are the details.

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

(1), (2) and (3) I am advised that records from the District Court of NSW at Parramatta show that Mr Gunton was personally served on 9 November 1985 with a Statement of Liquidated Claim from the Deputy Commissioner of Taxation, for income tax and additional tax payable for assessments for the financial years ending 1981, 1982, 1983 and 1984. Default judgement was entered on 27 May 1986.

I am also advised that records from the Federal Court (General Division, Bankruptcy District of NSW and the ACT) reveal that Mr Gunton was personally served with a Bankruptcy Notice on 20 June 1987. Mr Gunton was also personally served with a Creditors Petition on 21 March 1988 which stated that the debtor (Mr Gunton) committed an act of bankruptcy on the 6 July 1987 by failing to comply with the requirements of the Bankruptcy Notice.

Federal Court records show that the Creditors Petition was personally served on Mr Gunton at an address in Smithfield.

(4) The Income Tax Regulations require a taxpayer to provide the Commissioner of Taxation with a current address for service of notices. The ATO posts notices of income tax assessments to the
address provided by the taxpayer for the service of notices. I am advised this address is only changed when authorised by the taxpayer concerned.

(5) I am advised that due to the time that has elapsed since income tax assessments for the years 1981, 1982, 1983 and 1984 were issued and the fact that this period exceeds the statutory requirement to retain records, the ATO is unable to present evidence as to the source of income of Mr Gunton. However, records indicate that Mr Gunton’s income tax liability has been the subject of court proceedings over many years and he has had the opportunity to dispute the issues at these times.