CONTENTS

CHAMBER HANSARD
Workplace Relations Amendment (Transmission of Business) Bill 2001—
  First Reading ............................................................................................... 26341
  Second Reading ........................................................................................... 26341
Workplace Relations (Registered Organisations) Bill 2001—
  First Reading ............................................................................................... 26342
  Second Reading ........................................................................................... 26342
Finance and Administration Legislation Amendment (Application of Criminal Code) Bill (No. 1) 2001—
  First Reading ............................................................................................... 26345
  Second Reading ........................................................................................... 26345
International Maritime Conventions Legislation Amendment Bill 2001—
  First Reading ............................................................................................... 26345
  Second Reading ........................................................................................... 26346
Trade Marks and Other Legislation Amendment Bill 2001—
  First Reading ............................................................................................... 26348
  Second Reading ........................................................................................... 26348
Lake Eyre Basin Intergovernmental Agreement Bill 2001—
  Second Reading ........................................................................................... 26349
  Third Reading .............................................................................................. 26360
Communications and the Arts Legislation Amendment Bill 2000—
  Second Reading ........................................................................................... 26360
  Third Reading .............................................................................................. 26395
Questions Without Notice—
  Goods and Services Tax: Interest Rates....................................................... 26395
  Ministerial Arrangements ................................................................................. 26396
Questions Without Notice—
  Interest Rates: Levels .................................................................................. 26396
  Goods and Services Tax: Hospitals ............................................................. 26397
  Interest Rates: Levels .................................................................................. 26397
  Innovation Package ..................................................................................... 26398
  Small Business: Interest Rates ................................................................... 26399
  Goods and Services Tax: Small Business.................................................... 26399
  Foot-and-Mouth Disease ............................................................................ 26400
  Education: Funding for Government Schools ............................................. 26401
  Danes, Mr Kerry and Mrs Kay .................................................................... 26402
  Higher Education Funding .......................................................................... 26403
  Trade Unions: Intimidation ........................................................................ 26403
  HIH Insurance ............................................................................................. 26404
  Defence: Submarines .................................................................................. 26404
  Health: AIDS Vaccine Consortium ........................................................... 26406
  Wheat: Single Desk Selling ......................................................................... 26406
  Health: AIDS Vaccine Consortium ........................................................... 26407
  Regional Forest Agreements: Victoria ......................................................... 26407
  Tasmania: Regional Solutions Program .................................................... 26408
  Rural and Regional Australia: Regional Assistance Program .................... 26409
Questions To Mr Speaker—
  Questions without Notice: Points of Order.................................................. 26410
Answers To Questions Without Notice—
  Health: AIDS Vaccine Consortium........................................................... 26414
CONTENTS—continued

Questions To Mr Speaker—
  Health: Deep Vein Thrombosis ................................................................. 26414
  Centenary of Federation: Sittings in Melbourne ....................................... 26414
  Questions without Notice: Points of Order .............................................. 26415
Personal Explanations ............................................................................. 26415
Papers ....................................................................................................... 26416
Matters Of Public Importance—
  Goods and Services Tax: Economic Impact ............................................ 26416
Committees—
  Treaties Committee—Report .................................................................. 26426
Committees—
  Public Works Committee—Referral of Work ......................................... 26430
Parliamentary Zone—
  Approval of Proposal ............................................................................ 26431
Parliamentary Zone—
  Approval of Proposal ............................................................................ 26431
Foreign Affairs and Trade Legislation Amendment (Application of
  Criminal Code) Bill 2000—
  Main Committee Report ....................................................................... 26432
  Third Reading ....................................................................................... 26432
Coal Industry Repeal Bill 2000—
  Main Committee Report ....................................................................... 26433
  Third Reading ....................................................................................... 26433
Parliamentary Zone—
  Approval of Proposal ............................................................................ 26433
Bills Returned From The Senate ............................................................... 26433
Family and Community Services and Veterans’ Affairs Legislation
  Amendment (Debt Recovery) Bill 2000—
  Consideration of Senate Message .......................................................... 26433
Corporations Bill 2001—
  First Reading .......................................................................................... 26433
  Second Reading ...................................................................................... 26433
Australian Securities and Investments Commission Bill 2001—
  First Reading .......................................................................................... 26437
  Second Reading ...................................................................................... 26437
Trade Practices Amendment Bill (No. 1) 2000—
  Consideration of Senate Message .......................................................... 26437
Safety, Rehabilitation and Compensation and Other Legislation
  Amendment Bill 2000—
  Second Reading ...................................................................................... 26458
Questions To Mr Speaker—
  Minister for Defence: Hansard Report .................................................... 26460
Adjournment—
  Minister for Defence: Hansard Report .................................................... 26460
  Watson Electorate: Chinese Australian Services Society ....................... 26460
  Ovine and Bovine Johne’s Disease ............................................................ 26462
Environment: Kyoto Protocol .................................................................... 26463
Eden-Monaro Electorate: Television Reception ........................................ 26464
North West Shelf: Shell ............................................................................. 26465
Environment: Western Sydney ................................................................. 26466
Notices ..................................................................................................... 26467
MAIN COMMITTEE HANSARD

Statements by members—
Universities: Country Students ................................................................. 26469
Australian Band: Snake Gully ................................................................. 26470
Gellibrand Electorate: Youth Initiatives .................................................. 26470
Telstra Country Wide: Townsville ......................................................... 26471
Herbert Electorate: Douglas Arterial Road ............................................ 26471
Liquefied Petroleum Gas ..................................................................... 26472
Royal Australian Air Force: Airborne Early Warning and
Control System Aircraft .................................................................... 26473

Foreign Affairs and Trade Legislation Amendment (Application of
Criminal Code) Bill 2000—
Second Reading ................................................................................... 26473

Coal Industry Repeal Bill 2000—
Second Reading ................................................................................... 26477

Questions On Notice—
Australian Government Solicitor: Clients—(Question No. 1849)............ 26505
Petroleum Resource Rent Tax—(Question No. 2013) .......................... 26505
Fuel Prices—(Question No. 2119) ........................................................... 26506
Competition Principles Agreement—(Question No. 2157) ................. 26506
Companies: Shareholder Meetings—(Question No. 2250) ................. 26508
Commonwealth Defamation Legislation: National Uniformity—
(Question No. 2297) ........................................................................... 26509
Holsworthy Correctional Centre: Additional Investigations—
(Question No. 2326) ........................................................................... 26509
Wood and Paper Industry Strategy: Funding—(Question No. 2337) .... 26510
Member for Melbourne: Alleged Champerty—(Question No. 2364) .... 26510
Office of the Employment Advocate: Staffing—(Question No. 2366) .... 26511
Royal Australian Air Force: Australian Formula One Grand Prix—
(Question No. 2451) ........................................................................... 26513
Mr SPEAKER (Mr Neil Andrew) took the chair at 9.30 a.m., and read prayers.

WORKPLACE RELATIONS AMENDMENT (TRANSMISSION OF BUSINESS) BILL 2001

First Reading
Bill presented by Mr Abbott, and read a first time.

Second Reading
Mr ABBOTT (Warringah—Minister for Employment, Workplace Relations and Small Business) (9.31 a.m.)—I move:

That the bill be now read a second time.

The government’s record in workplace relations reform is substantial. The Australian labour market has been transformed into an environment where cooperative enterprise based bargaining has become the primary determinant of wages and conditions of employment. This has in turn produced social and economic benefits, including increased productivity, higher living standards for workers, historically low dispute levels and more than 800,000 new jobs since the government was first elected in 1996.

It is important that our workplace relations legislation reflect these changes and facilitate a culture of continuous workplace improvement and mutually rewarding outcomes at the enterprise level.

This bill will make the management of workplace relations more efficient by providing a mechanism for resolving complexities arising from the existence of multiple or inappropriate certified agreements following a transmission of business.

Last September the then Minister for Employment, Workplace Relations and Small Business released a discussion paper that dealt with the workplace relations policy issues surrounding transmission of business. That paper invited comments on the approach that should be taken to those issues.

One of the issues discussed in the paper concerned the transmission of certified agreements where there has been a transmission of business. Under the existing provisions of the Workplace Relations Act if there has been a transmission of business a certified agreement will also transmit so as to bind the new employer. As a result, a new employer and its employees may be bound by a certified agreement that is not suited to their circumstances and which is not their negotiated agreement. Further, certified agreements that apply as a result of a transmission of business can override existing certified agreements in the new workplace and upset established work practices.

A number of submissions that were received in response to the discussion paper supported amendments to the act that would give the commission power to preclude a workplace from being bound by a certified agreement as a result of a transmission of business or to modify the circumstances in which the workplace is so bound. This bill does exactly that, reflecting amendments first proposed by the government in the Workplace Relations Legislation Amendment (More Jobs, Better Pay) Bill 1999. The effect of the bill is to allow the Australian Industrial Relations Commission to assess, on application and on a case by case basis, whether the statutory principle that industrial instruments do transmit is appropriate for a certified agreement upon the transmission of a business.

Providing the commission with this power is not a novel concept. The commission already has the power to order that awards do not transmit upon transmission of business. The commission has used this power on several occasions to avoid the inappropriate application of an award following a transmission of business. For example, last year, following an application by the Victorian government, the commission ordered that the Victorian government was not bound by an award that otherwise would have transmitted upon a transmission of business. In another case last year an order was made that EDS Australia Pty Ltd was not bound by almost 50 awards that applied to businesses to which it provided services. In both cases the commission made an order which ensured that unnecessary administrative difficulties...
for these employers and their employees were avoided. With the dominant role that certified agreements now have in the system, the commission should have a similar discretionary power in relation to certified agreement transmission as it has had for many years with respect to award transmission. Indeed, it would appear to be an oversight in the drafting of the 1996 amendments to the act which has deprived the commission of the power to make such orders with respect to certified agreements.

This bill provides that the commission may make an order upon the application of the employer bound by the agreement. That could be the successor employer after a transmission of business has occurred or an employer that is contemplating a transfer of its business. In this latter situation the commission order would only take effect if a succession, assignment or transmission of the business actually occurred.

This bill is a sensible technical measure that will improve the operation of the workplace relations system. The amendments will continue to give workers and employers at their workplace more opportunities to manage their relationships and give the commission an important specific power to enable them to do so.

In introducing this bill the government is reactivating a legislative proposal in an area where the current act is technically deficient and requires remedial action. The government will continue to assess the policy issues relating to transmission of business and the submissions received in response to the ministerial discussion paper. If further or more substantive amendments relating to business transmission are required, they will be presented to the House in due course. I present a copy of the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.
It is axiomatic that over this time the workplace and the workplace relations system have both undergone significant change. Yet the regulatory provisions associated with registered organisations have not been modernised to reflect new requirements of the system, nor contemporary circumstances of employers and employees who may join or be eligible to join unions and employer associations. This bill will, in part, remedy that deficiency.

The bill proposes to achieve two broad policy objectives. First, it would transpose into a separate piece of legislation those provisions of the Workplace Relations Act 1996 which concern the registration and internal administration of registered organisations. Second, it would make minor and technical, but nonetheless important, amendments to these provisions in a manner that modernises them for the first time in years—particularly in relation to financial accountability, disclosure and democratic control.

In introducing this bill I recognise and reaffirm the government’s continued support for the registration and operation of industrial organisations, be they organisations of employers or employees. I also recognise that substantial differences exist in the political and industrial arena about the role of registered organisations within the institutional framework and in the workplace. This bill does not seek to impact on that broader debate. It is presented to this parliament on the basis that whatever view one might have about the role of trade unions and employer organisations in the system, the existing regulation surrounding the registration, reporting and accountability of these organisations should be modernised to reflect contemporary standards of governance.

If the proposed amendments are assessed on their merits, the bill should be positively received by registered organisations. In recent decades membership of registered industrial organisations, as well as other established community and service organisations, has declined. At the same time, the community has become more informed, better educated and more demanding of its organisations and the services they provide. Sensible measures, such as those proposed in this bill to enhance financial accountability and democratic control, are capable of increasing the confidence employers, employees, members and prospective members have in the administration of these organisations, and in decisions they make about the benefits that membership may offer.

This bill has been developed over a considerable period, and in a genuine endeavour by the government to consult on its provisions and minimise areas of difference, whilst making meaningful improvements to the regulatory regime.

The coalition’s 1996 and 1998 workplace relations policies identified the need to improve the statutory provisions governing registered industrial organisations. Over that time we have provided the opportunity for extensive consultation with trade unions and employer organisations, accountants, employers and employees.

The amendments proposed by this bill have their genesis in the government’s response to the independent report we commissioned in 1998 from Blake Dawson Wadron on financial reporting and governance arrangements of registered organisations. Other changes implement the government’s response to the 1997 recommendations of the Joint Standing Committee on Electoral Matters about industrial elections. In October 1999, the former Minister for Employment, Workplace Relations and Small Business, Peter Reith, issued a public discussion paper outlining policy proposals for legislative change. An exposure draft bill was publicly released in December 1999. Submissions on the discussion paper and on the exposure draft bill were then assessed and discussed with interested parties over the past 12 months.

The government has made extensive revisions to the bill in response to submissions made by trade unions, employer organisations, accounting professionals and other parties. The practical experience reflected in many of these submissions has been invalu-
able in developing legislation that will be effective in its operation.

More recently consultation has occurred through the formal processes of the Committee on Industrial Legislation, a tripartite committee of the National Labour Consultative Council. Indeed, introduction of this bill has been delayed until now to enable these consultative processes to be fully exhausted, and differences of view on policy or drafting minimised. In making these refinements, the government has excised from the bill the more contentious policy issues that arose during this process—such as changes to the criteria for the registration of enterprise unions, disclosure and accountability of political donations made by industrial organisations, and part funding by organisations of the cost of their industrial elections conducted by the Australian Electoral Commission, which are currently totally publicly funded. If those matters are to proceed by way of legislative amendment, that will occur through separate single issue legislation.

The transfer of the bulk of the existing regulatory provisions of parts 9 and 10 of the act into a separate registered organisations bill will make the Workplace Relations Act a more useable and relevant document across the workforce. The reality is that less than one quarter of employees or employers are members of trade unions and employer associations. If we are serious in making the statutory framework simpler and more accessible to actual employers and employees—whether they are members of associations or not—then one small practical measure is to reduce the size of the act by separating the significant proportion of the act that regulates the internal conduct of associations into a separate bill. This way, the Workplace Relations Act can become a little more useable as a reference document, with a greater proportion of its provisions relevant across the workforce. And by removing these provisions into a separate act, we are substantially reducing the sheer amount of legislation confronting employers and employees when they use the act—a small positive in enabling employers and employees to access information about their rights and obligations.

I now turn to the major provisions of the bill.

The bill will enhance the democratic governance of registered organisations and modernise provisions regulating financial disclosure and reporting. While the basic financial reporting obligations of registered organisations remain, the provisions now have a stronger focus on disclosure to members, are consistent with modern accounting and auditing practices and enhance transparency and accountability in a manner broadly consistent with the Corporations Law.

The bill establishes statutory fiduciary duties for officers and employees of organisations, modelled on duties applicable to company directors under the Corporations Law. These provisions will provide members of organisations with increased protection against financial mismanagement. This protection is appropriate, given that officials of registered organisations are entrusted with substantial funds on behalf of their members.

The bill would make significant changes to the enforcement arrangements for financial accounting, auditing and reporting obligations. Under the Workplace Relations Act, breach of most financial requirements is a criminal offence. The bill would replace many of these offences with civil penalty provisions and allow the Industrial Registrar to apply to the Federal Court for penalties. However, serious misconduct would remain subject to criminal penalties and would continue to be dealt with by the Director of Public Prosecutions.

The bill makes a number of other minor but important changes, including the requirement for non-discriminatory rules of organisations, scope for the creation of model rules for the conduct of elections, the obligation to review membership lists to ascertain and remove long-term unfinancial members, the rights of members to accurate information about resignation from membership, the conduct of elections and disamalgamation ballots, the rights of organisations to represent their members upon disamalgamation, expanding the grounds for cancellation of registration, the adoption of Austra-
lian accounting standards, improved access by members to financial records and the disclosure to members of moneys paid to employers where automatic membership payroll deductions are made.

The work force is increasingly independent, educated and looking for solutions that meet their needs. It is important that industrial organisations become more competitive, more open and more accountable in their internal activities. This is especially so given the extensive rights and privileges the workplace relations system confers on them. This bill will take some small steps to enable registered organisations to better seize the opportunities that exist to focus themselves as relevant, modern, service oriented bodies, in touch with their members and modern principles of governance. I present a signed copy of the explanatory memorandum.

Debate (on motion by Mr Bevis) adjourned.

FINANCE AND ADMINISTRATION LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL (No. 1) 2001

First Reading

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

Second Reading

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (9.45 a.m.)—I move:

That the bill be now read a second time.

The Finance and Administration Legislation Amendment (Application of Criminal Code) Bill (No. 1) 2001 amends six acts administered by the Department of Finance and Administration portfolio. These acts are the Parliamentary Contributory Superannuation Act 1948, the Superannuation Act 1922, the Superannuation Act 1976, the Superannuation Act 1990, the Public Accounts and Audit Committee Act 1951 and the Public Works Committee Act 1969.

The bill makes amendments to these acts to reflect the application of chapter 2 of the Criminal Code, which contains the general principles of criminal responsibility, to offence provisions under all Commonwealth acts from 15 December 2001. The bill follows on from the government’s decision to harmonise all Commonwealth acts with the Criminal Code on a portfolio by portfolio basis to provide greater consistency and clarity of criminal offences in Australia.

Schedule 1 amends existing offence provisions under the various Commonwealth superannuation acts to ensure that they will operate in the same manner when chapter 2 of the Criminal Code applies or in a manner which is consistent with Commonwealth criminal law policy. The proposed changes involve imposing the lighter evidential burden of proof on a defendant and expressly stating time limits to satisfy requirements under offence provisions in the acts. The proposed amendments will not introduce any new criminal offences under the various Commonwealth superannuation acts.

The bill will also update maximum penalties in the various superannuation acts to ensure that they are appropriate and conform with the principles of the Crimes Act 1914. Changes proposed in this respect include converting penalties from a dollar amount to penalty units.

Schedule 2 of the bill proposes amendments to the Public Accounts and Audit Committee Act 1951 and the Public Works Committee Act 1969 to provide for the application of chapter 2 of the Criminal Code to these acts. A number of minor amendments to sections in these acts, which contain descriptions of specific offences, are included so that these offences continue to operate in the same way but also comply with the Criminal Code. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

INTERNATIONAL MARITIME CONVENTIONS LEGISLATION 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) (9.52 a.m.)—I move:

That the bill be now read a second time.

The International Maritime Conventions Legislation Amendment Bill 2001 will amend four acts. Taken by themselves, each of the amendments contained in this bill is relatively insignificant. However, taken as a package, they represent an important updating of the four acts. I will consider each schedule of the bill in turn.

Schedule 1 will amend the Limitation of Liability for Maritime Claims Act 1989, the LLMC Act. The LLMC Act implements in Australia the Convention on Limitation of Liability for Maritime Claims 1976, the 1976 convention.

In brief, the 1976 convention allows a shipowner or salvor to limit the total amount of damages they can be required to pay for damages caused by the ship, the shipowner or the salvor in accordance with limits set out in the 1976 convention. Liability limits increase with the size of a ship. The 1976 convention has been amended by a 1996 protocol to increase liability limits and to provide for a simpler method for future increases to liability limits. The bill will amend the LLMC Act to implement the 1996 protocol.

The amendment to the LLMC Act is expressed to commence on a date to be proclaimed. Proclamation will not occur before Australia has become a party to the 1996 protocol and the protocol has taken effect internationally. The passage of this legislation is one of the domestic requirements before Australia becomes a party.

The 1996 protocol will not take effect internationally until 90 days after at least 10 countries become parties to it. As at 28 February 2001 only four countries—the Russian Federation, the United Kingdom, Finland and Norway—were parties.

By reversing the effects of 20 years of inflation, the increase in liability limits made by the 1996 protocol will provide a reasonable level of compensation in the case of an accident involving a ship while not making the limits so high that shipowners will not be able to obtain insurance coverage.

Schedule 2 of the bill will amend the Protection of the Sea (Powers of Intervention) Act 1981 to revise the list of chemicals in respect of which the Australian Maritime Safety Authority may take ‘intervention action’ on the high seas, in the exclusive economic zone or in the territorial sea. Such action may be taken to prevent or reduce pollution if a chemical has escaped, or is likely to escape, from a ship. The intervention action may range from moving the ship to another place to, in an extreme case, sinking the ship.

The revision to the list of chemicals is in accordance with a resolution of the Marine Environment Protection Committee of the International Maritime Organisation, taking into account new chemicals now being carried by ships in bulk.

Schedule 3 of the bill will make a number of amendments to the Protection of the Sea (Prevention of Pollution from Ships) Act 1983, the Pollution Prevention Act, which gives effect to the operational provisions of the International Convention for the Prevention of Pollution by Ships, commonly known as MARPOL, as members will readily recall. I will briefly refer to the more important of the amendments to the Pollution Prevention Act.

The requirement to include the text of conventions in schedules to the Pollution Prevention Act has been removed. There are 14 schedules which contain the original MARPOL Convention of 1973, the protocol of 1978 and 11 separate amendments to that protocol, and the protocol on Environmental Protection to the Antarctic Treaty. The inclusion of amendments to MARPOL in schedules to the act does not provide an easily understood version of the text of MARPOL as in force in Australia at a particular time. Further, the inclusion of the text of the conventions in the schedules is misleading, as it can give the false impression that this is the latest text of any amendments. That is not so.
The removal of the schedules will not disadvantage users as the text of MARPOL is readily available in written form from specialist maritime booksellers and in electronic form.

Requirements relating to the disposal of garbage have been inserted in Annex V of MARPOL. The new sections 26FA to 26FD will give effect to those requirements. Australian ships of 400 tons or more which are certified to carry 15 or more persons will be required to have a shipboard waste management plan and to carry and maintain a garbage record book. These provisions are designed to complement existing provisions restricting the disposal of garbage from a ship and are intended to ensure that the oceans are not polluted by ship’s garbage. In addition, every ship of 12 metres or more in length will be required to display placards to inform passengers and crew about the restrictions that apply to the disposal of garbage from the ship.

Incident reporting requirements are being expanded to require ships of 15 metres or more in length to report any incident that affects the safety of the ship or results in an impairment of the safety of navigation, thereby having the potential to result in pollution. This is an improvement over current arrangements where incident reports are required only when the master determines that there is a probability of pollution.

Members of the Australian Federal Police are routinely appointed as inspectors under the Pollution Prevention Act during investigations into marine pollution incidents. Inspectors have a number of powers—including going on board a ship, inspecting any parts of a ship and requiring a person to answer questions—for the purpose of ascertaining whether the Pollution Prevention Act has been complied with and, in the case of a foreign ship, whether MARPOL has been complied with.

The definition of ‘inspector’ is being amended to include a member or special member of the Australian Federal Police. The amendment will reduce administrative procedures at the time of an incident by removing the need for specific appointments of AFP members as inspectors.

Occasionally, when marine surveyors from the Australian Maritime Safety Authority are conducting ship inspections, it becomes clear that the amount of waste on board the ship at that time, such as oily waste or garbage, is such that the ship would have to discharge some of the waste at sea before reaching its next port of call. The bill includes amendments that will enable surveyors, where it is reasonable to do so, to require waste to be discharged from the ship to a suitable discharge facility. This is another small but important step to help reduce the amount of waste discharged from ships into the oceans. There are waste reception facilities at more than 50 ports in Australia, although not all of those facilities can accept all types of waste.

Some of the offence and penalty provisions of the Pollution Prevention Act are being revised. One of the most significant of these changes relates to the disposal or discharge of, for example, oil or garbage, into the sea. Currently, it is only the master or owner of a ship who can be prosecuted for such an offence. The relevant penalty provisions have been rewritten to provide that any person whose reckless or negligent conduct causes a discharge is guilty of an offence. Where a discharge is not the result of reckless or negligent conduct, the owner and master will be strictly liable but, in that case, the maximum penalty is lower. There are a number of defences set out in the relevant provisions of the act. For example, there is no offence if a discharge occurs for the purpose of securing the safety of the ship or saving life at sea or the discharge occurs in accordance with the strict conditions set out in MARPOL.

Finally, I mention the amendments to the Submarine Cables and Pipelines Protection Act 1963, set out in schedule 4 of the bill. That act gives effect to Australia’s international obligations to make it an offence if a submarine cable or pipeline is damaged by an Australian-flagged ship in the exclusive economic zone or the high seas. The
amendments included in this bill reflect the wording of the United Nations Convention on the Law of the Sea, to which Australia has been a party since November 1994. In its present form, the Submarine Cables and Pipelines Protection Act reflects the wording of the redundant 1958 Convention on the High Seas. The amendments simply include a specific reference to the exclusive economic zone in the act and do not have any effect on the application of the act.

The bill before the House brings to fruition many years of work, both domestically and internationally, much of it of a technical kind. Some of the negotiations internationally have been more laboured and slower than we would have wanted, but the end result is that we have very innovative legislation that further attempts to protect the natural environment of our oceans. I commend the bill to the House and present the explanatory memorandum.

Debate (on motion by Mr Horne) adjourned.

TRADE MARKS AND OTHER LEGISLATION AMENDMENT BILL 2001

First Reading

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

Second Reading

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (10.02 a.m.)—I move:

That the bill be now read a second time.

The major objective of the Trade Marks and Other Legislation Amendment Bill 2001 is to give effect to a post-implementation review of the operation of the Trade Marks Act 1995. That act repealed and replaced the 1955 Trade Marks Act and came into operation on 1 January 1996. This bill also makes some minor technical amendments to correct erroneous references in the Patents Amendment (Innovation Patents) Act 2000.

The new Trade Marks Act modernised and streamlined the Australian trademarks registration system and brought it into line with certain requirements of the World Trade Organisation’s agreement on trade related aspects of intellectual property rights—better known as the TRIPS agreement. In September last year, the act was also amended to enable Australia to accede to the Protocol Relating to the Madrid Agreement Concerning the International Registration of Marks. Accession would provide a reciprocal, streamlined application procedure for Australian and overseas trademarks owners should they wish to register their trademarks overseas or in Australia.

The new Trade Marks Act has been very successful in meeting its objectives. It has resulted in significant lessening of red tape for businesses, enabling them to get their trademarks registered in a more streamlined manner. It has had major benefits for the operation of the Trade Marks Office and the positive benefits of this, for users of the system, are illustrated by the fact that there have been two fee reductions and no increases in Trade Marks Office fees since the new act came into force. These excellent results have been achieved without eroding the benefits of registration available to trademark owners.

This bill improves the legislation by further streamlining procedures, enabling the Trade Marks Office to provide improved services to the public, removing anomalies and clarifying ambiguities that have come to light since the act came into operation.

In September 1996, approximately nine months after its commencement, the Registrar of Trade Marks invited submissions from interested groups, and the public, on the operation of the new Trade Marks Act. Some 18 submissions were received. Respondents included the Institute of Patent and Trade Mark Attorneys, the Trade Marks Subcommittee of the Law Council of Australia, the Australian Manufacturers Patents, Industrial Designs, Copyright and Trade Marks Association, members of the legal profession and the Australian Wine and Brandy Corporation. I thank them all for their interest and guidance on this matter.
Other comments were received from a number of sources including focus groups set up within the Trade Marks Office to look at administrative issues, and from the Trade Marks Office help desk which was set up to assist users of the system with the transition to the new legislation.

The post-implementation review has allowed interest groups and the public to work with the Trade Marks Office to come up with suggestions to further improve and streamline the legislation.

A review team including members of the main interest groups met in February 1998. The review team recommended that a number of changes were necessary for the efficient and effective operation of the act. This bill gives effect to the necessary changes.

In the interests of delivering better service to Trade Marks Office customers, section 158 of the Trade Marks Act will be repealed. The provision makes it a strict liability criminal offence for an employee of the Trade Marks Office to prepare, or help prepare, a document to be filed under the act or to search the Trade Marks Office records, unless specifically authorised to do so. This may, in some circumstances for example, cause doubt as to whether a Trade Marks Office employee may help a person fill in their trademark application or assist them with a search of the trademarks database.

The provision is outdated. Its carryover from the previous legislation is now considered inappropriate. The modern Public Service encourages its employees to give members of the public, within the proper boundaries, every assistance they are able to. The Trade Marks Office is continually striving to improve the service it provides its customers and this provision unnecessarily constrains what it can do. Its repeal will enable the Trade Marks Office to consider new and innovative ways to improve its customer service. Any impropriety by an employee of the Trade Marks Office is able to be dealt under the Australian Public Service Code of Conduct set out in section 13 of the Public Service Act 1999.

This bill will also repeal paragraph 88(2)(d) of the Trade Marks Act. This provision currently enables a person, in certain circumstances, to apply to a court to cancel or amend a trademark registration. In considering the matter, the court would be obliged to apply stricter criteria than would have been applied by the Registrar of Trade Marks when accepting the trademark for registration. Having different sets of criteria apply is clearly unsatisfactory—indeed there is the possibility that a person whose trademark was removed from the register by the court under this provision could immediately successfully re-apply for registration of the trademark. The repeal of this provision will therefore remove the uncertainty inherent in this provision.

The bill also contains a series of amendments of a minor nature intended to streamline procedures and remove anomalies and ambiguities identified since the act came into operation. This bill also amends the Patents Amendment (Innovation Patents) Act 2000 to correct several erroneous references in that act. I commend this bill to the House and present the explanatory memorandum to this bill.

Debate (on motion by Mr Horne) adjourned.

LAKE EYRE BASIN INTERGOVERNMENTAL AGREEMENT BILL 2001

Consideration resumed from 27 March.

Second Reading

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.10 a.m.)—I move:

That the bill be now read a second time.

The Lake Eyre Basin includes areas of outstanding natural and cultural value, and makes a vital contribution to the economies of South Australia, Queensland and the nation as a whole. Many of these economic, social, environmental and heritage values depend on the naturally variable flows associated with the major cross-border river systems within the basin. Given the largely arid and semi-arid nature of much of the basin,
these flows are critical for the survival of a range of flora and fauna, including a number of nationally and internationally recognised aquatic ecosystems. These flows are also important for the continued viability of pastoral and other industries within the basin. Clearly, the values of the basin would be significantly put at risk by changes in the volume, duration and frequency of river flows resulting from unsustainable water resource development in these river catchments.

In recognition of the need to better manage these cross-border river systems to protect downstream aquatic and other ecosystems, Minister Hill joined his Queensland and South Australian counterparts in signing the Lake Eyre Basin heads of agreement in May 1997. The heads of agreement was important in that it provided, for the first time, an agreed framework for governments and communities to work towards the sustainable management of the cross-border river systems and related environmental values. Importantly, the heads of agreement also provided for the development of a formal, intergovernmental agreement between the Commonwealth, Queensland and South Australia for the integrated management of the Lake Eyre Basin.

There followed an extended process of community consultation and detailed negotiations between the three governments, which culminated in the Lake Eyre Basin intergovernmental agreement being signed by the Minister for the Environment and Heritage, Senator Hill, and his Queensland and South Australian counterparts in October last year.

The agreement initially applies to the two major catchments within the basin, the Cooper Creek and Georgina-Diamantina catchments; however, it also provides for New South Wales and the Northern Territory to become involved at a later stage should they wish to do so.

This bill recognises and approves the Lake Eyre Basin agreement between the Commonwealth, Queensland and South Australian governments. Primary responsibility for implementing the agreement and associated policies and strategies rests with the Queensland and South Australian governments. Both states have committed themselves to enacting legislation to recognise and support the Lake Eyre Basin agreement. While not legally required, the Commonwealth has decided to confirm its commitment to the future sustainable management of the Lake Eyre Basin and the protection of dependent environmental and heritage values, by legislative means. There is strong community support for Commonwealth and state legislation recognising and giving effect to the agreement and associated institutional arrangements.

The agreement is focused on the management of water and related natural resources within these catchments. Of particular concern are the cross-border flows in these river systems which support sensitive downstream ecosystems such as the Ramsar listed Coongie Lakes in South Australia and other water dependent environment and heritage values in the basin. The agreement will provide the formal basis for the respective governments to develop and/or adopt policies and strategies aimed at improving the management of these cross-border river systems. A ministerial forum established under the agreement will make relevant decisions. The forum, which will meet at least once each year, will comprise ministers from the Commonwealth, Queensland and South Australia.

Ensuring that the basin’s values are protected for present and future generations requires an ongoing partnership involving governments, industry and the community. This bill and the Lake Eyre Basin agreement will strengthen and build upon the regional catchment management framework already established by the basin community over the last four years as part of the Lake Eyre Basin regional initiative. The initiative is being funded under the government’s Natural Heritage Trust.

The launch of the Lake Eyre Basin Coordinating Group’s strategic plan in late 2000 and the catchment strategies developed by the Cooper Creek and Georgina-Diamantina
catchment committees are tangible demonstrations of what such regional partnerships can achieve. It is important to note that the basin community has developed the catchment management framework from the ground up and therefore has full ownership of the process. The community not only has been involved in identifying and prioritising the problems but has been directly responsible for developing and implementing the solutions.

While the work of the community has been critical to the success of the Lake Eyre Basin regional initiative, I am pleased that the Commonwealth government has also been able to play a key role. The most obvious way that the Commonwealth government has contributed to date has been through the provision of financial support for the Lake Eyre Basin regional initiative. Over the past four years, the Commonwealth has provided well over $1 million towards the operations of the coordinating group and the catchment committees and other basin related projects under the Natural Heritage Trust. The Queensland and South Australian governments have matched this funding. Financial and in-kind contributions have also been provided by other stakeholders across the basin.

Many communities in remote and regional Australia are currently facing serious challenges. An increasing number of these communities are now taking positive steps to tackle the hard issues head on and develop strategies to address their concerns, and provide the basis for a sustainable and viable future. I am confident that the success of community driven processes such as the Lake Eyre Basin regional catchment initiative will empower other rural communities across Australia who may be facing similar challenges to also take affirmative action.

The Lake Eyre Basin agreement will strengthen the partnership between governments and the community, and provide a mechanism for the community to contribute to decision making processes and associated arrangements for the sustainable management of the basin. In response to community demands for full consultation on and involvement in decision making affecting the management of the Lake Eyre Basin, the agreement provides for the establishment of a community advisory committee. This community advisory committee will enable the views of the basin community to be fully and directly represented to the ministerial forum.

I believe the Lake Eyre Basin Intergovernmental Agreement Bill 2001 will ensure that the nationally important economic, social and environmental values associated with the cross-border river systems of the Lake Eyre Basin will be protected for the benefit of all present and future generations of Australians. I commend the bill to the House and I present the explanatory memorandum.

Mr KELVIN THOMSON (Wills) (10.17 a.m.)—The Lake Eyre Basin Intergovernmental Agreement Bill 2001 gives legislative approval to the Lake Eyre intergovernmental agreement, which was signed on 21 October 2000 by the Commonwealth, Queensland and South Australian governments. As the Parliamentary Secretary to the Minister for the Environment and Heritage has pointed out, it was signed on behalf of the Commonwealth by the Minister for the Environment and Heritage, Senator Hill, and I guess it gives rise to concern on this side of the House about whether Senator Hill has the support of his colleagues on environmental matters and has been given authority by his colleagues on environmental matters. Just recently he put forward proposals concerning the adjacent Murray-Darling Basin and those proposals were repudiated by the Minister for Transport and Regional Services, Mr Anderson. He has also put forward proposals or made statements concerning greenhouse and Kyoto issues which have been repudiated by the Minister for Agriculture, Fisheries and Forestry, Mr Truss.

The agreement we are talking about here has been generally welcomed by the communities concerned and has been the result of a community driven process. It comes into force when it has been approved in legisla-
tion by the Queensland and South Australian parliaments, and that has not yet occurred. There is no requirement in this agreement for the Commonwealth government to introduce legislation. However, it has decided to do so ‘to confirm its commitment to the future sustainable management of the Lake Eyre Basin and the protection of dependent environmental and heritage values’. Passing this bill does not have legal significance as to the enforceability or compliance with the agreement.

The Lake Eyre Basin—in making these comments, I am indebted to the Parliamentary Library for its assistance with research into these matters—is the world’s largest salt pan. It encompasses the towns of Winton, Birdsville, Innamincka and Oodnadatta, and has been evocatively described as ‘home to some of the last wild rivers in the world’. The major rivers included in the Lake Eyre Basin are the Georgina, Diamantina, Thomson and Barcoo rivers and Cooper Creek, which flow from Central and Western Queensland into South Australia, as well as the Finke, Todd and Hugh rivers in Central Australia. These waterways end in Lake Eyre, the world’s fifth largest terminal lake. The basin is about the same size as the Murray-Darling system and is the world’s largest internal drainage system.

Unlike a lot of river systems, water flow into the Lake Eyre Basin is highly variable and unpredictable—none of the rivers and creeks flow permanently; all experience short periods of flow following rain and extended periods of no flow. The Lake Eyre Basin is part of Australia’s arid zone and includes the Simpson Desert. Land use within the Lake Eyre Basin, like water use, is varied, and includes pastoralism, mining, tourism, oil and gas exploration and production, conservation and Aboriginal activities. Mining and petroleum generate the greatest amount of income within the region, but pastoralism is the most extensive in terms of land use.

I turn now to the history of the Lake Eyre intergovernmental agreement—how it was developed and how it came to be. The issue of conservation and management of the Lake Eyre Basin region gained some prominence in 1995 with a proposal to divert significant quantities of water each year from the drainage system to provide irrigation to grow cotton in Central Queensland. This generated some community concern and, following a public meeting at Birdsville in 1995, the Lake Eyre Basin Steering Group was formed. That comprised pastoralists, conservationists, ATSIC, local government, mining and petroleum industries and government agencies. That group held numerous public meetings around the basin. It published issues and options papers and, at the end of 1997, there was a decision to establish an integrated catchment management framework in the basin.

The steering group was then disbanded and replaced by a two-tiered framework comprising catchment management groups and a Lake Eyre Basin coordinating group based in Longreach, Queensland. That coordinating group includes the majority of catchment group representatives, Commonwealth and state government observers and other skills based members. Its functions include the creation of ecological and economic sustainability in the basin, providing a forum for community participation and communicating with governments.

Subsequently, two catchment committees were formed: the Cooper Creek Catchment Committee and the Georgina-Diamantina Catchment Committee. Those committees have a wide range of stakeholders, including upstream and downstream interests, pastoralists, mining, petroleum and tourism industry representatives, state governments, Aboriginal groups and Landcare. There was also a parallel process of intergovernmental agreement taking place. In 1997, the Commonwealth, Queensland and South Australia signed the Lake Eyre Basin Heads of Agreement. Following community consultation, the formal Lake Eyre Basin intergovernmental agreement was signed, as I mentioned earlier, on 21 October 2000. The intergovernmental agreement will not enter into force until it has been enacted by the Queensland and South Australia parliaments.
Neither of those parliaments has yet enacted legislation.

The operation of the intergovernmental agreement does not apply to the whole area of the Lake Eyre Basin; it applies to the Cooper Creek system, including the Thomson and Barcoo rivers and the Georgina-Diamantina catchment systems within Queensland and South Australia, ending at Lake Eyre. It does not apply to the remainder of the Lake Eyre Basin within South Australia or to any parts of the basin in the Northern Territory and New South Wales. However, the Lake Eyre intergovernmental agreement does allow for the New South Wales and Northern Territory governments to join at a later stage, should they wish to, with the consent of the other parties.

The purpose of the intergovernmental agreement is to establish arrangements for the management of water and related natural resources to ‘avoid or eliminate so far as reasonably practicable adverse cross-border impacts’ associated with the river systems in the parts of the Lake Eyre Basin covered by the agreement. So its focus is on water and related natural resources with cross-border impacts.

The Lake Eyre Basin Ministerial Forum consists of one minister from Queensland, one from South Australia and one from the Commonwealth, and it is the decision making body under the agreement. Its function is to develop and adopt policies and strategies for the management of water and related natural resources. The states will continue to have primary responsibility for policy formulation and the administration of water and natural resources legislation, but in so doing it is intended that they will comply with the consultation processes set out in the agreement. Funding responsibility will be shared by the Commonwealth and the participating states.

The intergovernmental agreement sets out a number of guiding principles to be acknowledged in decision making which make reference to the significance of the Lake Eyre Basin for ecological, pastoral, cultural and tourism reasons. They also refer to the need to make decisions which foster ecologically sustainable development and take account of the significant knowledge and experience of local communities. The ministerial forum can only make decisions unanimously and must obtain community advice on matters relevant to its decisions. It can seek scientific and technical advice if required, either on particular issues or by establishing a panel to provide advice on an ongoing basis. It is intended that there be a conference held at least every two years where the ministerial forum, members of the community advisory body, other interested groups and individuals, scientific and technical advisers and government officials can exchange information and views.

The intergovernmental agreement requires an immediate review of the condition of all watercourses and catchments in the area covered by the agreement and thereafter every 10 years. It also contains provisions for reviews of the policies and strategies developed or adopted by the ministerial forum and of the extent to which the objectives have been achieved after five years and thereafter every 10 years. The agreement has been a community driven process. It demonstrates a cooperative approach to issues of water management, as Queensland, South Australia and the Commonwealth must all agree on every decision to be made, and community consultation is an integral part of the decision making process.

I make two observations about aspects of the basin’s protection: one is the question of existing protection and the other is the situation in relation to the proposal for World Heritage listing. Two areas of the Lake Eyre Basin are already registered on the Register of the National Estate maintained by the Australian Heritage Commission. First, there is a 2.1 million hectare area of Lake Eyre and its environs, which has been on the Register of the National Estate since 1980. Its National Estate significance comes from geological significance, evidence of the time scale of what is a very old continent and its unusual characteristics as part of the Great Artesian Basin and as a climatically variable drainage system. It also has important
status as the habitat of a number of rare plants and animals: the grass owl, grey grass wren, the Lake Eyre dragon and some rare species of cassia and grevillea. It has ecological significance as a haven for waterbirds and other wildlife after flooding and significance for indigenous culture.

The other area already registered on the National Estate is the Elliot Price Conservation Park, a 64,570 hectare area of ungrazed arid wilderness on the Hunt Peninsula of Lake Eyre North. That has been on the register since 1980. In addition to those National Estate listings, in 1987 the Coongie Lakes, a major unregulated river and wetland system on the Cooper Creek flood plain in the far north-east of South Australia near Innamincka, were designated wetlands of international importance under the Ramsar Convention in 1971. They are among the most ecologically rich wetlands in Australia and are an important habitat and breeding ground for waterbirds.

There have been proposals for World Heritage listing of this area. In 1990, the General Assembly of the World Conservation Union called for protection of the Lake Eyre Basin wetlands and requested that they be assessed for their world heritage value. To investigate whether the Lake Eyre region should be recommended for World Heritage listing, the Keating government established three studies. One was carried out by the CSIRO, which concluded that areas of the South Australian section of Lake Eyre Basin, particularly the Cooper and Warburton Creek drainage systems, the Coongie Lakes, Goyder Lagoon and Lake Eyre itself, qualified for World Heritage listing on account of their natural heritage values. The world heritage unit of the Commonwealth Department of the Environment reportedly took the view that the South Australian section of the Lake Eyre Basin contained natural values of international significance and that a nomination to the World Heritage Committee would probably be successful.

In 1998, a majority of the Lake Eyre Basin reference group appears to have recommended that the Lake Eyre Basin be nominated for World Heritage listing. That report recommended initiating a world heritage management plan for areas of the Lake Eyre Basin which had been identified by the CSIRO as being of world heritage natural value. However, the coalition government decided not to pursue a nomination for World Heritage listing due to a lack of community and state government support. It is fair to say that conservation groups remain committed to world heritage nomination for the region and that the Labor Party, in ‘A better plan for the environment’, has indicated that it will give attention to examining and, where appropriate, submitting the Lake Eyre Basin for World Heritage listing. This is legislation which the opposition has no hesitation in supporting.

Mr BILLSON (Dunkley) (10.31 a.m.)—I am delighted to support the Lake Eyre Basin Intergovernmental Agreement Bill 2001 before the House. The bill is small in its size—fewer than a dozen lines—but it represents an enormous step forward for what is one-seventh of our continent. This bill covers a world’s fifth-largest lake that has no outflow by surface stream or seepage and, therefore, is known as a terminal lake. The water ends up in this basin.

Mr Deputy Speaker Jenkins, you would well know from your time with me on the House of Representatives Standing Committee on Environment, Recreation and the Arts, as it was back in October 1996, that we did a lot of work on managing Australia’s world heritage area. The whole process that concerned the 1993 proposal to nominate the Lake Eyre Basin for World Heritage listing was very much a part of our work. It informed many of our deliberations and gave us a clear working example and study of how not to do things. In 1993—some would say it was suspiciously close to a federal election—an environment minister looking to
shore up some votes in the Labor seat of Kingston thought that suggesting that the Lake Eyre Basin be put on the World Heritage List was a good measure to take. It was a good idea—sort of. The only thing was that the people who had managed the area—those very stakeholders and land-holders who had so managed the natural systems of the Lake Eyre Basin to ensure that its qualities, its biodiversity and the importance of its rivers, wetlands and flood plains and all of the abundant flora and fauna that is in this basin had been conserved and preserved alongside them, forming a living for themselves and their communities—had not been consulted. All those people who had done the hard yards to ensure that the Lake Eyre Basin was deserving of the highest level of environmental recognition—no-one had talked to them. And then, out of the blue, in 1993 came this idea from then Minister Kelly, ‘Let’s list the Lake Eyre Basin as a world heritage area.’ Understandably, that caused an enormous amount of resentment from the local community.

I would like to pay tribute to the member for Grey, who is with us today, who was the local member for this community in 1993. He was a tower of strength at that time when the local community felt that Canberra had ridden in and ridden roughshod over the top of them, told them what was good for their community and what was good for their environment and the natural systems that they for generations had conserved, managed and ensured had all of the qualities that warranted the highest level of recognition. To his credit, the member for Grey was able to work with the local community and support their efforts to come up with an organic management solution—not one imposed from Canberra; not one that had all the mysteries of not knowing quite what the listing would mean; not one where the announcement to pursue World Heritage listing was not preceded by any work on what the management arrangements should be, how the locals would be involved, how the measures that would be needed to support such a listing would be financed or even what the role of the regular land-holder would be. None of that preceded the 1993 announcement by the then Labor environment minister. To his credit, the member for Grey worked with the local community and generated and supported their efforts to ensure local management and ownership of the solution of how best to conserve this very important part of our biodiversity. It was very fitting that late last year he was there representing the Commonwealth at the Birdsville signatory ceremony. So, on behalf of your local constituents, Member for Grey, congratulations—this is an important day for you and an important day for your local community.

We often hear of communities deciding to become nuclear-free zones. It is sort of like a ‘cone of silence’ that will come over the community if something nuclear—I am not talking about the Mir spacecraft, but something more hazardous—was coming their way, and they would be okay. In this case, the Lake Eyre Basin is a chemical-free zone. There are no chemicals in the river systems; there is no chemical degradation in the lands, in the soils or in the flood plains because that is the way the locals have managed it for generations.

What we are doing today is actually underwriting that chemical-free status by a management arrangement that brings the very best out of our federal system. We have actually got an agreement and an intergovernmental framework that has stated what roles each level of government will play and that has identified the process for decision making to ensure that it is by a unanimous vote of the ministerial forum, so that all levels of government need to agree before something is moved forward. We also have a consultative framework where all of those stakeholders are involved, where landholders are very much at the heart of the solution and not viewed as a threat or a problem to the local environment. They are wholly supportive of this, because they have recognised the environmental and natural systems values that are so important to their livelihoods and whose conservation is so important not only for their biodiversity value but also for their productive value.
We are now seeing pastoralists in the Lake Eyre area marketing free-range organic beef into Asia. Here is a chemical-free zone supported by institutional structures delivering a commercial advantage for pastoralists. Out of what was grief, terror and uncertainty in 1993 has come certainty, sensible management arrangements, relationships between the key stakeholders, a funding arrangement that sees all of the protective measures put in place and new opportunities to underline the importance of the Lake Eyre Basin. There is free-range organic beef from the Lake Eyre Basin—from the electorate of the member for Grey, from those people whom he so valiantly supported during those dark days in 1993. At that time, as they read about the future of their region in newspapers, they were not quite sure what was going to happen to them. We now have free-range organic beef going into Asia.

In this case, it is not really the landholders working with the government; it is actually the government working with the landholders. The landholders have set about formulating a management regime that works best for the biodiversity values of this huge area of our continent as well as for their own interests as landholders. As was mentioned earlier, Queensland is developing complementary legislation; it is still in the early stages of that. South Australia is well advanced with its complementary legislation, which has bipartisan support in the upper house. South Australia is almost matching the progress that the Commonwealth has made.

The Lake Eyre Basin includes a multitude of land uses, including pastoralism, mining, tourism, oil and gas exploration and production, conservation and Aboriginal activities and important sites. The variety of these activities creates a fascinating diversity, and also some issues when it comes to protecting the area and conserving its natural systems and the values that I mentioned earlier. There are two key areas in the Lake Eyre Basin which are already on the register of the National Estate. As we heard earlier, in the past there have been proposals for World Heritage listing of parts of the basin.

The Howard government has recognised the importance of the basin in terms of conservation values but has also recognised the need to involve the community of the Lake Eyre Basin and recognise the wide variety of activities in the Lake Eyre Basin region. The start of this century is a time when all governments—all thinking governments—are recognising that biodiversity conservation has to involve the community. It cannot be something that is left solely to governments. We the government, using the money of you the taxpayers, cannot go around buying up every bit of land that happens to have high conservation value. We have to work with the people that know that land best and can secure these biodiversity and conservation outcomes in conjunction with some of the other goals that are quite understandably pursued by landholders. This is a terrific case study of how this is done.

The Howard government, through the support and advocacy of the member for Grey, established the Lake Eyre Basin Coordinating Group, with funding—also secured by the member for Grey—from the Natural Heritage Trust. If I were living in South Australia, I would probably want to live in the electorate of the member for Grey. This is excellent work. The group’s functions include the creation of ecological and economic sustainability proposals while also providing a forum for community participation and, importantly, communication with governments. The result of this cooperation between the Commonwealth, South Australian and Queensland governments and the stakeholders—including the pastoralists, the mining and petroleum interests, the tourism representatives, indigenous groups and land care organisations—was the development of a regional catchment management strategy. The Lake Eyre Basin intergovernmental agreement was signed in Birdsville on 21 October. That represented a victory for commonsense and cooperation over blind ideology and the omnipotence of governments telling local communities what is best for them. It was very fitting that the member for Grey was there to participate in that process.
Rather than the government in Canberra dictating to the community and imposing its will on the terms on which the Lake Eyre Basin would be managed, the Howard government has chosen to work with and alongside the community, supporting the community to reach an agreement that achieves an acceptable outcome from all sides. It secures those conservation and biodiversity goals, it clarifies the future, it provides some certainty about the management arrangements for the local stakeholders and it bodes well for a terrific, cooperative, ‘working together’ future for those in the Lake Eyre region.

The commitment of skill and the understanding of the environmental issues at a local level is inspiring. How can we draw out that experience of generation after generation of local inhabitants and their insight into the way the Lake Eyre Basin operated other than by involving the local community? The $1½ million secured by the member for Grey through the Natural Heritage Trust has enabled community organisations to do some great work in this large area, one-seventh of our country. The Commonwealth will be the first jurisdiction to actually pass—hopefully today—the legislation that has been proposed by the agreement.

As I said at the beginning, this is fewer than a dozen lines of legislation. The real workhorse in the package we are proposing today is the governmental agreement itself. It outlines a whole range of things that need to be known in advance before a local community can feel confident about entering into this sort of relationship with these sorts of complementary goals. The legislation implements the best practice that we sought to identify and articulate in this work, aimed at how we could better manage our world heritage areas. The key thing out of today is that we can secure in a cooperative way the outcomes people seek through World Heritage listing—yet not even have a World Heritage listing. We can secure the values that are important, that are of international significance, through cooperation, engagement and involvement of the local community and therefore we can take everybody on this journey to preserve and better manage one of the most precious parts of our country. I commend this bill to the House and commend the member for Grey for his many years of work to achieve this outstanding outcome for his community.

Mr WAKELIN (Grey) (10.43 a.m.)—This is a proud moment, because this matter goes back many years, as the member for Dunkley has indicated. It has many verses and many chapters; the book will be a continuing story. Today, I want to summarise the Lake Eyre Basin Intergovernmental Agreement Bill 2001 and pick out a few names that are familiar to me. The Lake Eyre Basin itself encompasses four states: Queensland, South Australia, parts of the Northern Territory and New South Wales, and includes the Cooper Creek and Georgina-Diamantina catchments. The Lake Eyre Basin Intergovernmental Agreement itself, as the member for Dunkley has so eloquently put it, is the culmination of those troubled times back in the early nineties with the controversial World Heritage listing issues. In the last two or three years, it has particularly involved the work of the community and now has culminated in the agreement between the two main states—Queensland and South Australia—and the Commonwealth.

The work done by the coordinating steering committee, under the chairmanship of Don Blesing and some wonderful executive officers—the young woman who was based in Queensland and the young chap from Western Australia who has taken over her wonderful work—is to be commended, along with that of all the other players. It has led to this cooperative, collaborative and very successful outcome. When we signed the agreement at Birdsville, the players in the basin were all there, including the South Australian and Queensland ministers. I remember signing on the banner and celebrating with the literally hundreds of people who had participated in this magnificent achievement that covers this vast area of Australia. The state boundaries were forgotten. They were all Australians coming together for the environment and for the long-term benefit of their regions.
The member for Dunkley has touched on chemical-free beef and the chemical-free nature of the region. The mayor of the Diamantina shire, David Brook, has significant and historic pastoral connections and background and feeling for the land. David is also a wonderful entrepreneur in the township of Birdsville, with investments—and he will not mind me saying this, I am sure—in the hotel and the service station. The magnificent infrastructure that has been developed in cooperation with the state government and the Commonwealth to build the community of Birdsville shows the spirit of that region. In terms of the Aboriginal people, it was very touching on that day to listen to one Aboriginal lady who brought with her a very special affinity and also to see the very significant cooperative spirit of all the various community members. That added very much to that day in October. In relation to the mining industry, two companies that stand out in my mind are the bigger players, Santos and WMC. And we should never forget that this region lies over the top of a wonderful resource, the Great Artesian Basin, which is a world phenomenon, a world-significant natural resource which has to be treated with great respect.

I turn to the capping program of the federal government. In cooperation with the states and the pastoralists, the $30 million or $40 million is a very important improvement that is not directly related to the Lake Eyre Basin intergovernmental agreement but is certainly very much a part of the planning and resource management of that region. I have mentioned the tourism industry and Birdsville. A large number of people are heading up there in the Year of the Outback; the tourism industry is just booming. There are also the famous Birdsville races; they are very well known. If you are there in any holiday period, there is a continuous flow of vehicles from the eastern and southern states. It is a growing business and a testimony to the absolute fascination and growing interest of city people in the pastoral areas of Australia.

I am not going to dwell on those darker days, but—and this is quite literally how it affected people—there were men in tears because they were not sure of their future after generations of struggle, of commitment, and of a feeling for their land. They were totally despairing because they could not understand why the government would not come and at least talk with them about the implementation of the proposed World Heritage listing. They are the memories that I have of the early nineties. It is to the credit of the Commonwealth—and people from the federal sphere like Senator Robert Hill; the former Minister for Defence, Ian McLachlan; and the current Assistant Treasurer, Rod Kemp—and significant state leaders that they came together to develop the basis of the Lake Eyre Basin Intergovernmental Agreement.

So I was proud to be associated with the agreement because it was a battle worth having and worth winning. Who are the main winners? Those communities and those people who are really very much, I believe, the forgotten Australians. They are out of sight and out of mind but they are the most magnificent people, who never ask for very much. They ask only for a fair go and they are very self-reliant. Most of them, black and white, work in a cooperative community way and, as I say, are very much forgotten by the masses of Australia. I dip my lid to them; they are the people who deserve the most credit from this discussion today. Through the agreement, the future of the region will be assured for posterity.

In conclusion, the productive nature of that area, whether it be the mining, the tourism, the pastoralism or any other industry—and even now we are talking of alternative energy sources deep within the bowels of the earth in parts of that region—and the future potential for that region, owned, operated and supported by and with the commitment of the regional people, looks very strong. For that, I am grateful. For that, I thank all of those who have worked together on this Lake Eyre Basin intergovernmental agreement.

Dr STONE (Murray—Parliamentary Secretary to the Minister for the Environment and Heritage) (10.53 a.m.)—in reply—In
summing up this debate, I acknowledge the contribution of the member for Wills and I particularly applaud the eloquent contribution from the member for Dunkley and the heartfelt words of the local member for that huge Lake Eyre Basin area, the member for Grey.

The Lake Eyre Basin includes areas of outstanding natural and cultural value, including the Ramsar listed Coongie Lakes system on the lower Cooper Creek. The member for Grey has reminded us that it is also home to generations of people who have struggled hard to make sure that all Australians can enjoy the magnificent wildlife, the biodiversity and the extraordinary history and geography of this region.

The Lake Eyre Basin intergovernmental agreement is the culmination of a community driven process that extends back to the mid-1990s, and we have heard much from the member for Grey and the member for Dunkley about the struggles that went on during that time when suddenly there was a move by the then Labor government to have that area World Heritage listed. As the member for Grey has pointed out, to suddenly have information that has the potential to change your way of life when you have been completely outside the loop in terms of consultation and to have very little communication or understanding of what the processes or the impacts of World Heritage listing might mean are of extraordinary concern and upset.

Fortunately, our government have a different understanding about how stakeholders need to be engaged in the planning and implementation of the protection of natural resources and the sustainability of landscape. And so it was that when the government came into office in 1996 we immediately understood the needs of the basin and worked very closely with members such as the member for Grey, who has a detailed understanding of what is needed. The result was an understanding by the government that, if we worked with the governments of South Australia and Queensland, we could develop a cross-border agreement for integrated management of water resources in the basin. That was in 1997.

The Commonwealth has backed up this community-expressed need to conserve the area and the state governments’ concerns to support those communities with special funding and resources and, in particular, to support the formation and operation of the community based Lake Eyre Basin Coordinating Group and its catchment committees. I want to pay special regard to Kate Andrews, who has done an extraordinary job in that area as a community facilitator and communicator with the various communities dispersed over such a huge area. She gave extraordinarily dedicated service, and I have no doubt that much of the success of the Lake Eyre Basin Coordinating Group can be attributed to her tireless work. She has since been replaced by Mr Peter McLeod, and he is carrying on the work that requires very concentrated effort in consulting with and in engaging the stakeholders across that area.

Of course, stakeholder driven planning has now been very much endorsed as the only way to go when it comes to natural resource understanding and management in the Australian landscape. It began with and evolved from the Victorian salinity program’s work back in the 1980s—in particular in parts of my electorate of Murray where for years there had been attempts from various governments to impose research generated ideas but without any real engagement or commitment being extracted from the communities that had to change their day-to-day management systems. The Natural Heritage Trust, through its devolved grants program, has encouraged stakeholders’ engagement in natural resource management. We have done that in the most recent round where we have been most concerned that we have regional and ecosystem based approaches to land and water management.

Most recently, of course, the Prime Minister’s new dryland salinity and water quality program, a $1.4 billion commitment from the Commonwealth and states, is absolutely grounded in 20 regions across Australia having their salinity problems addressed.
through the local stakeholders: first of all, by having the capacity to understand the issues and having the options identified; and then, in a partnership between local governments, business, community organisations, individual and state and local government, the drive to have an outcome that we hope will be as good as the Lake Eyre Basin intergovernmental agreement. As has been acknowledged by the other speakers, that agreement is very much a model of what can be achieved across Australia in having a great outcome for all stakeholders and for the biodiversity of the country.

The river systems of the Lake Eyre Basin are among the few remaining systems in Australia that have not been dramatically altered by resource development. The highly variable flows that characterise and drive these ecosystems make them very vulnerable to development. It is a very fragile landscape. We have seen in other parts of Australia, especially in Western Australia, that arid zones like this can very quickly be degraded if there is inappropriate land use. This is an opportunity to take a preventative approach and avoid the same mistakes that were made in the Murray-Darling Basin. Restoration or remediation is costly and, in many ways, irreversible if we do the wrong thing by our Australian landscapes. The Lake Eyre Basin intergovernmental agreement and the Lake Eyre Basin regional initiative are models for partnership approaches to the management of other unregulated river systems, not just in Australia but in the rest of the world.

I believe the Lake Eyre Basin Intergovernmental Agreement Bill 2001 will ensure that the nationally important economic, social and environmental values associated with the cross-border river systems of the Lake Eyre Basin will be protected for the benefit of all present and future generations of Australians. I congratulate all of those who have worked long and hard over the years to make sure that the future of the basin is assured. This legislation recognises and underlines the inherent goodwill of this Commonwealth-state partnership. I commend the bill to the House.

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 Dr Stone) read a third time.

COMMUNICATIONS AND THE ARTS LEGISLATION AMENDMENT BILL 2000

Second Reading
Debate resumed from 30 November 2000, on motion by Mr McGauran:
That the bill be now read a second time.

Mr STEPHEN SMITH (Perth) (11.01 a.m.)—The Communications and the Arts Legislation Amendment Bill 2000 makes amendments to four pieces of legislation relating to the communications and the arts portfolio. The first is the Public Lending Right Act 1985. The bill seeks to strengthen the objectives of the act and streamline and update some operational procedures of the Public Lending Right Scheme. The bill incorporates a statement of objectives in the act, changes the definition of ‘prescribed person’ to more accurately reflect the objectives of the act, removes the references in the act to beneficiaries as ‘prescribed persons’ and clarifies the processes of making final payments in respect of deceased creators.

The second act amended by the bill is the Telecommunications Act 1997. The bill provides immunity to carriers and carriage service providers where they comply with a senior police officer’s request to suspend the supply of a carriage service in an emergency situation or where they are complying with a designated disaster plan. The bill also updates various sections that refer to old sections of the act now contained in the Telecommunications (Consumer Protection and Service Standards) Act 1999.

The third act amended by the bill is the Trade Practices Act 1974. The bill provides immunity to carriers and carriage service providers where they comply with a senior police officer’s request to suspend the supply of a carriage service in an emergency situation or where they are complying with a designated disaster plan. The bill also updates various sections that refer to old sections of the act now contained in the Telecommunications (Consumer Protection and Service Standards) Act 1999.

The third act amended by the bill is the Trade Practices Act 1974. The bill enables the ACCC, the Australian Competition and Consumer Commission, to advise telecommunications carriers on the remedial action
needed to be taken to cease anticompetitive behaviour. The bill also allows nominated members to exercise the ACCC’s procedural powers in an access arbitration. At present only the ACCC acting as a whole can exercise these powers. This will help speed up the arbitration process but will still require the ACCC acting as a whole to make, vary or revoke determinations or draft determinations.

The fourth act amended by the omnibus Communications and the Arts Legislation Amendment Bill is the Telecommunications (Consumer Protection and Service Standards) Act 1999. The bill updates the reference in the act from ‘an Australian company number’ to ‘an Australian business number’. All of those four aspects of the legislation are non-controversial and are not opposed, and indeed are supported, by the opposition. This is omnibus legislation which generally seeks to make improvements to the communications and the arts portfolio legislation.

This bill is more prescient for what it currently does not say than for what it does say. We know that the government has had prepared secret amendments to this legislation, secret amendments which I exposed less than three weeks ago: Communications and the Arts Legislation Amendment Bill 2000, House of Representatives, draft-in-confidence, dated February. The government has prepared secret amendments to the Australian Postal Corporation Act which it wanted to slide through as backdoor amendments to this legislation. To reflect the fact that this is a sleight of hand by the government and to reflect the fact that the government’s true intention was to seek to amend the Australian Postal Corporation Act as part of this legislation, I have circulated in my name—and I will move it formally at the conclusion of my remarks—the following second reading amendment:

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

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

(a) the secrecy, confusion and uncertainty surrounding the Government’s legislation in relation to Communications and the Arts, including the preparation of secret amendments to this bill which would have the practical effect of deregulating essential Australia Post services to the detriment of rural and regional Australia; and

(b) the confusion and uncertainty in relation to the vital legislative framework concerning the Communications and the Arts portfolio caused by the Government’s refusal to give a commitment not to introduce legislation to deregulate Australia Post, not just for the remainder of this Parliament but for the next, thus indicating its clear intention to proceed with the deregulation of postal services as soon as possible”.

Mr Deputy Speaker, you would be well aware of the importance to communications generally of Australian postal services and in particular Australia Post. At the last election the government, the Howard-Anderson government, the Liberal-National Party coalition government, came to this parliament committed, as it was at the 1998 election, to the further deregulation of Australia Post. It said that it would deregulate Australian postal services by 1 July 2000. What did we see? We saw the government evidence its intentions to satisfy that election commitment—which we strongly opposed in the course of the 1998 federal election and which we strongly opposed in the course of this parliamentary term—by the introduction of the Postal Services Legislation Amendment Bill 2000, which was introduced into this place in April 2000, and there it sat. Last week, without a word of explanation, the Minister for the Arts and the Centenary of Federation representing the Minister for Communications, Information Technology and the Arts moved for the discharge of this bill.

What did we see? On that occasion I sought to suspend standing orders to make the following points. If the government was proposing to discharge the Postal Services Legislation Amendment Bill 2000 from the Notice Paper, was that an indication on the part of the government that it was committing itself to no further deregulation of Australia Post in the course of this parliament or in the course of the next? If that was the case, if the government was committing it-
self to no further deregulation of Australian postal services in this parliament or the next, would it immediately undertake to desist with its secret amendments to this legislation? The government had circulated and had provided the amendments to the Australian Democrats and had ensured that the Australian Democrats were briefed by Australia Post on the effects of those proposed amendments.

The government had in circulation amendments to this legislation which would seek to do through the back door what their postal services legislation was seeking to do through the front door. Not a word of explanation was uttered in this place. When Senator Alston went out and did a doorstop on that day, what did he say? Firstly, he said, ‘We have pulled the bill because of a terrible, shocking scare campaign run by the Labor Party.’ The problem for the minister is: if you are going to do a backflip, at least do a backflip with pike elegantly—do not do a backflip with sleight.

So what did Senator Alston say at his doorstop? He said, ‘Firstly, we remain committed to the further deregulation of Australia Post in this parliament or the next. If you re-elect us, we will further deregulate Australia Post. Secondly, we propose to box on with our secret amendments to the Communications and the Arts Legislation Amendment Bill 2000 which will enable document exchange providers to do through the back door what the postal services legislation will enable them to do through the front door. So we are boxing on. It is not a policy backflip.’

Last week we saw four policy backflips in four days, Australia Post being the fourth. It is a policy backflip with pike normally. Under this minister—and Minister McGauran who represents him—it is a policy backflip with sleight. So rural and regional Australia should be under absolutely no illusions: if they re-elect a Howard-Anderson Liberal-National government they will seek to further deregulate Australia Post with adverse consequences to rural, regional and remote Australia.

When we talk about scare campaigns, it is actually more relevant to have your mind descend to the facts. What are the facts? I noticed the other day, for the first time at least in this term of parliament, that Senator Alston was out there bagging Australia Post. Normally he says that the postal deregulation proposals are fantastic for postal services and fantastic for rural and regional Australia. But for the first time last week he was out there bagging Australia Post. But what are the facts so far as the deregulation proposals that the government is running for Australia Post’s services are concerned? Firstly, on Australia Post’s own evidence, they will cut $200 million off Australia Post’s bottom line—and that is in addition to the $90 to $100 million that Australia Post has been forced to absorb as a consequence of the introduction of the goods and services tax.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! I am sorry to interrupt the honourable member, but I am somewhat puzzled in that the bill we are considering applies to the Public Lending Right Act, the Telecommunications Act, the Telecommunications (Consumer Protection and Service Standards) Amendment Act and the Trade Practices Act. I understand the member’s desire to hit the government over the head over Australia Post, but it does not seem terribly relevant to the bill.

Mr STEPHEN SMITH—With respect, the bill is an omnibus bill to amend legislation relevant to the communications and the arts portfolio. I would have thought—

Mr DEPUTY SPEAKER—Specifically relating to those acts that I have drawn—

Mr STEPHEN SMITH—It is an omnibus piece of legislation which relates to the communications and the arts portfolio legislation. It is an area where the government itself has prepared amendments to this legislation. I would have thought that my comments are entirely in order, whether I was complimenting the government or bashing it over the head.

Mr DEPUTY SPEAKER—I will allow the member to proceed, but I am still doubtful because the acts which are being
amended are specific rather than this being an absolute omnibus bill. Please proceed.

Mr STEPHEN SMITH—There is no point boxing on with it, Mr Deputy Speaker, particularly with you, but as I recall the long title of the bill it does say ‘A bill to amend legislation relating to the Communication and the Arts portfolio’. But that is just my memory. I will box on, Mr Deputy Speaker.

So what are the facts here? The facts are that the government would like to pursue the further deregulation of Australia Post. That would cut $200 million off Australia Post’s bottom line, in addition to the $100 million that Australia Post has had to absorb as a consequence of the GST. What has Australia Post said in evidence to the Senate on that? Australia Post has said in evidence on that to the Senate that the consequence of that would be to cause Australia Post to contemplate differential pricing. Differential pricing is nice code, but what does it mean? It means that the further you live away from the capital city GPO, the more your post and parcels are going to cost. For what purpose? Simply to enable further competition in metropolitan or CBD markets where you would see the introduction of competitors to Australia Post, like Deutsche Post, like TNT Post, the Dutch group—

Dr Nelson—I rise on a point of order, Mr Deputy Speaker. There is nothing in this bill, and no amendments proposed, which will have a bearing on Australia Post as the honourable member is suggesting. I ask you to please direct him to speak directly to the bill.

Mr DEPUTY SPEAKER—I thank the honourable member. As the parliamentary secretary is aware, I have already spoken to the member for Perth about the content of his speech and the need for relevance. It is true that there are no government amendments to this bill, but I understand the member does intend to move an amendment and that his speech is more relevant to the amendment he has not moved than to the bill. I again ask him to be relevant.

Mr STEPHEN SMITH—I flagged that at the conclusion of my remarks I would move a second reading amendment. I am quite happy to formally move that now. 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 notes:

(a) the secrecy, confusion and uncertainty surrounding the Government’s legislation in relation to Communications and the Arts, including the preparation of secret amendments to this bill which would have the practical effect of deregulating essential Australia Post services to the detriment of rural and regional Australia; and

(b) the confusion and uncertainty in relation to the vital legislative framework concerning the Communications and the Arts portfolio caused by the Government’s refusal to give a commitment not to introduce legislation to deregulate Australia Post, not just for the remainder of this Parliament but for the next, thus indicating its clear intention to proceed with the deregulation of postal services as soon as possible”.

So as to ensure there is no doubt that what I am saying is entirely within order, I seek leave to table the secret amendments to this legislation entitled ‘Communications and the Arts Legislation Amendment Bill 2000, Government amendments, Schedule to be amended: the Australian Postal Corporations Act’.

Mr DEPUTY SPEAKER—Order! Is leave granted?

Dr Nelson—No.

Mr DEPUTY SPEAKER—Leave is not granted.

Mr STEPHEN SMITH—Oh, they won’t allow the secret amendments to be tabled! You will take a cheap point of order but you won’t allow the truth to be heard.

Mr Hardgrave—that is outrageous. He should withdraw that.

Mr STEPHEN SMITH—Are you ruling on the point of order, Mr Deputy Speaker, or am I proceeding?

Mr Hardgrave—You should withdraw.
Mr DEPUTY SPEAKER—I thought I already had. You sought leave and leave has not been granted. You have the call.

Mr STEPHEN SMITH—I formally move the second reading amendment circulated in my name which I hope my colleague the member for Brisbane will—

Dr Nelson—Mr Deputy Speaker, on a point of order: I respectfully ask you to ask the honourable member to withdraw that reflection upon the chair. He suggested that the chair was not being truthful.

Mr DEPUTY SPEAKER—I thank the parliamentary secretary for his diligence in trying to protect the chair, but the chair is not offended.

Mr STEPHEN SMITH—Mr Deputy Speaker, the last thing I would want to do would be to offend you, particularly sitting in that chair, as you do.

Mr DEPUTY SPEAKER—It would be very dangerous indeed.

Mr STEPHEN SMITH—Absolutely. I have conceded that already. I think my colleague the member for Brisbane would like to second my second reading amendment.

Mr Bevis—I second the amendment, Mr Deputy Speaker, and I reserve my right to speak at a later time.

Mr STEPHEN SMITH—Rather than the government talking about a scare campaign, let us talk about a fact campaign. The consequence of the government’s deregulatory approach to Australia Post, whether it is through the front door or the back door, is to enable the introduction of competitors to Australia Post—competitors like Deutsche Post and the Dutch group TNT Post. What would groups like that, whether they are international groups or Australian commercial groups, do? They would operate only in metropolitan and capital city markets. They would cream skim, cherry pick. They would not operate in rural, regional and remote Australia.

So what is the public policy framework choice that the Australian public will have at the next election? You can vote either for a Howard-Anderson Liberal-National government that is prepared to see the introduction of differential pricing on Australian postal services in rural, regional and remote Australia or for a Beazley Labor government. A Beazley Labor government will not allow the further deregulation of Australia Post and wants to do two things as far as Australia Post and a public policy framework are concerned: not just ensure that Australia Post can continue to deliver the traditional services it has delivered to rural and regional Australia, consistent with the general public policy framework about equitable access to services and universal service obligations but also ensure that Australia Post is a platform for the provision of digital and online services to rural and regional Australia.

One thing you know for sure about Australia Post is its ubiquitous nature. It has a presence in just about every local community you can find, and the further away you are from a capital city GPO the more likely it is that Australia Post remains the last bastion of the provision of services to rural, regional and remote Australia. So, if you allow the government, either through the front door or the back door, to pursue further deregulation of Australia Post to enable the top end of town—like Deutsche Post or TNT Post, the Dutch group—to cherry pick and cream skim in the CBD and metropolitan markets, you will undermine Australia Post’s capacity not just to deliver its existing services but to provide new and emerging digital and online services in the new economy and in the new world. That is the stark choice.

The discharge from the Notice Paper and the withdrawal of the government’s Postal Services Legislation Amendment Bill last week occurred at the same time that the government is touting its secret amendments to the Communications and the Arts Legislation Amendment Bill—amendments which it will not have tabled in this House but for which it happily goes off to the Australian Democrats in the Senate to try to get their support. It happily goes off to the Australian Democrats and it tells Australia Post to give them a briefing on the issue, but then it scurries away from addressing the issue. It will not give a commitment to people who live in
rural, regional and remote Australia that it has entirely dismissed its Australia Post deregulation proposals. It would like to do to Australia Post what it is trying to do with the full privatisation of Telstra—just slide through by sleight of hand. The people who live in rural, regional and remote Australia understand that, if the Howard-Anderson Liberal-National government is re-elected, its Australia Post deregulation proposals will see the same adverse consequences for Australia Post services that the full privatisation of Telstra would see for telecommunications services to rural, regional and remote Australia. That is the stark choice.

The government is now by sleight of hand trying to slide through. It withdraws the Postal Services Legislation Amendment Bill and it scurries around this building and elsewhere with its secret amendments to this piece of legislation—amendments which would seek to do through the back door what its postal services legislation sought to do through the front door. Last week, Senator Alston stood up and said, ‘Just because we’ve withdrawn the bill doesn’t mean that we won’t box on with postal services deregulation in this parliament or the next. It doesn’t mean that we won’t box on with our secret amendments to the Communications and the Arts Legislation Amendment Bill to enable document exchange providers to essentially provide full, end to end mail delivery services to enable them to cream skim in the metro areas to the detriment of rural, regional and remote Australia.’ The people who live in rural, regional and remote Australia know too well that the deregulation of Australia Post will see Australia Post services suffer in the same way that their telecommunications services would suffer if Telstra were fully privatised.

Mr Deputy Speaker, you might recall that a couple of weeks ago—the first Monday that we were back here for the two-week session—the Leader of the Opposition and I both asked the Leader of the National Party, the Deputy Prime Minister and the Minister for Transport and Regional Services about these matters. He did two things: firstly, he displayed a complete lack of knowledge about what the government was up to with both the secret amendments and the withdrawal of the postal services legislation and, secondly, he sought to make the outrageous assertion that the government’s legislation had nothing whatsoever to do with the deregulation of Australian postal services, which belied the fact that the explanatory memorandum to that bill talks of the deregulation of Australian postal services. It belies the fact that that piece of proposed government legislation followed on from an expressed election commitment by the government, based on and following on from a National Competition Council report into the deregulation of the Australian postal services industry.

I have moved the second reading amendment in my name. I have sought leave to table for the purposes of the House the secret amendments which the government has touted around this building. The government will not avail itself of the opportunity to have them tabled, courtesy of the Parliamentary Secretary to the Minister for Defence, who is at the table. But the people who live in rural and regional Australia can be absolutely assured of one thing: the government would like to slide through by sleight of hand on its deregulatory proposals for Australia Post, just as it would like to slide through on the further privatisation of Telstra. There will be a stark choice at the next election: if you want to ensure that your postal services to rural, regional and remote Australia are protected, if you want to ensure that your postal services are not in the future subject to differential pricing, if you want to ensure on the telecommunications front that your telecommunications services are not further reduced, you can re-elect the Howard-Anderson Liberal-National government or you can vote for a Beazley Labor government. On matters in the communications and the arts portfolio such as Australia Post and Telstra, that choice is crystal clear.

Mr DEPUTY SPEAKER (Mr Nehl)—I admire the enthusiasm of the member for Brisbane to interrupt the honourable member’s speech to second it, but of course that was inappropriate—it needs to be seconded
at the end of the speech. For the benefit of the House, I point out that, when the member for Perth ceased speaking and yielded to the member for Brisbane, technically he had finished his speech and I should not have allowed him to continue. But, being a very kind Deputy Speaker, I certainly did allow him to continue. Honourable Member for Brisbane, is the motion seconded?

Mr Bevis—Indeed it is. That was a wise and sage ruling. I second the amendment and reserve my right to speak.

Mr HARDGRAVE (Moreton) (11.22 a.m.)—Anybody listening to this debate today on the Communications and the Arts Legislation Amendment Bill 2000 could automatically assume a series of multiple deja vu, because the member for Perth has recycled the postal union’s rhetoric again. It seems that every couple of months someone on the opposition side is pushed forward by one of the unions relevant to a particular portfolio area to simply put forward a point of view written and authorised by a particular union apparatchik. Today it is the postal union’s turn. It was also interesting to note that much of the member for Perth’s contribution today was about stark choices. He was gradually organising his speech into small bite size pieces for quoting in various media outlets. Of course, it is a fact that he will not be wanting to quote anything I have to say on the matter, but it is a great pity, because anybody who reports anything the member for Perth has said during his contribution will in fact be getting a one-sided set of absolute nonsense totally remote from any reality.

The member for Perth said there were two priorities for a Beazley government as far as Australia Post is concerned. Neither of those two priorities included the maintenance of what this government has done as far as the standard letter rate is concerned. This government has frozen in legislation that 45c for standard letter rate delivery costs, and that certainly has not been mentioned by the member for Perth as part of the Labor Party’s agenda. If he wants to start talking about stark choices, it is very obvious to me that the question of the standard letter rate does start to come into play.

Let me also deal with the matters contained within the amendment to this legislation that has been moved by the member for Perth and seconded by the member for Brisbane. Both of these gentlemen have, as a result of this amendment they have endorsed to the House, turned their backs on the Labor Party’s own record in office as far as Australia Post and its services are concerned. The Labor Party presided over the closure of something in the order of 300 post offices during their 13 years in office. Let me say that again, in the interests of repetitive deja vu, if you like, as far as the member for Perth’s standards are concerned: 300 or so post offices were closed during the term of the previous Labor government. By contrast, this coalition government, led by John Howard and John Anderson, have presided over the opening of well over 100 post offices during our time in office. So it was 300 down during 13 years of Labor and 100 up during five years of the coalition. If the member for Perth wants to talk about stark contrasts, I am happy to talk about them anywhere through the suburbs of the electorate of Moreton—or indeed the highways and byways, including the Pacific Highway, in the electorate of Cowper—on any occasion. The record of this government in this area is superb.

Let us also deal with the question of this deregulation matter that he seems to be trying to nicely metamorphose into some sort of privatisation argument, which is simply not occurring. But one thing that has been occurring, both under the previous government and under this government, has been Australia Post rising to the occasion of competition. Competitive challenges were laid down by the previous government when they said that other services could compete with Australia Post for services at or above 10 times the standard letter rate. If the standard letter rate was 41c at the time, anything above 10 times that—a cost of delivery service $4.10 and above—was open for competition.
I remember when I was first elected to this place, close to the end of those dreadful 13 unlucky years for Australia, the Hawke-Keating years, the Beazley years, that the four times the standard letter rate proposition was on the table. I was, and still am, a member of the committee of this House which inquired into and tidied up the findings of an inquiry into the question of the treatment of the standard letter rate benchmark and the multiple of that which would be the point at which competition for services provided by Australia Post would come in. Four times the standard letter rate, four times 45c—in other words, $1.80 and above for delivery of services—would be the level of competition. That is the current level. The proposition, as I understand it, was to look at the question of two times the standard letter rate—in other words, 90c and above.

What has happened is that Australia Post has risen to the challenges of four times the standard letter rate and it is still there. In fact, it is opening more post offices. It is offering a broader range of services—many in my electorate would argue perhaps too broad a range of services. I will not name the post office, but there is a great story of the postmaster at a post office franchise operation for Australia Post calling out to those waiting in the long queue, ‘Does anybody want a 45c stamp? If you do, the newsagent around the corner sells them.’ In other words, people go to post offices for a broad range of services. It is part of the business plan that people who undertake the purchase of a franchise of a post office factor in. The Commonwealth Bank and the National Australia Bank—I normally call it the nasty Australia bank—have factored in Australia Post giroPost services as a means of doing banking transactions. In Brisbane the Brisbane City Council, Energex, the electricity provider, and uncounted other services all rely on Australia Post. So for the member for Perth to come in here and argue that again offering some question of further pressure on Australia Post’s competitive ability is bad completely misses the point of Australia Post’s own capacity to compete and the genuine broad ability of Australia Post through its network to offer services a lot of other people cannot offer, and at the same time reducing the cost to average Australians of the services in which there is competition currently. The member for Perth’s contribution was, I think, very sad. I am sure that after hearing my comments the member for Brisbane will probably want to withdraw his seconding of the member for Perth’s motion—

Mr Bevis—You are very persuasive.

Mr HARDGRAVE—I know I have persuaded him very strongly. As somebody who believes in the process of discussion, I guess the member for Brisbane will allow his seconding of the member for Perth’s motion to stand, but his heart surely can no longer be in it after hearing my argument this morning.

I would like to deal with the bill before us more directly. I have dealt with the amendments and I think that it has been important from the government’s point of view that I have made those points. It is important to know that, within this bill, there are amendments to four acts—as has been outlined by the member for Perth and others. Firstly, the bill amends the Public Lending Right Act 1985 to make explicit the objectives of the PLR scheme. In doing so, it will implement a recommendation contained in a recent review of the scheme for a clear statement of objectives. The amendments will also clarify a number of categories and problems within the PLR scheme.

Secondly, the bill amends the Telecommunications Act 1997, an act which brought a lot more responsibility to local government in the planning of telecommunications infrastructure—matters that I will raise in my contribution today. The amendments to the Telecommunications Act provide immunity to carriers and carriage service providers in situations where they are required, either by a carrier licence condition or a service provider rule, to comply with a designated disaster plan.

Thirdly, the bill will amend the Telecommunications (Consumer Protection and Service Standards) Act 1999. This is really just a procedural matter to include reference to an ABN rather than a ACN. Finally, there
are some significant amendments to the Trade Practices Act 1974 in the process of issuing advisory notices under part XIB and a change to the way procedural powers are exercised by the ACCC during arbitration. So, this bill, while it is dealing, it seems, with lots of little bits, is another one of those important pieces of legislation that Minister Alston has rightly decreed should be introduced to this place through Minister McGauran, and one which I completely support.

It is worth noting that Telstra, as an organisation, also underscores how much nonsense the member for Perth has offered in his observations this morning. Telstra’s most recent press release on service improvements in Queensland talks about the tremendous difficulties as far as weather conditions in Queensland and northern New South Wales are concerned; yet, despite that, it has been able to point to improvements in installing services:

... 94 per cent of new services within the relevant timeframe—an improvement of two per cent on last year. A regional breakdown using year on year consistent measures shows QLD Urban areas had a 93 per cent success rate installing new services; major rural 96 per cent; minor rural 100 per cent (this involved almost 5000 services); and remote 98 per cent.

There is no doubt that competition in the telecommunications industry has certainly driven Telstra, ensuring—as they even observe here—that they develop a ‘more robust and resilient network’. During the years that the Labor Party were in office, far from there being some marvellous, pristine telecommunications network that somehow has mysteriously been run down over the last five years—as the member for Perth was implying in his contribution today—more and more people in rural and remote Australia were, in fact, using a telephone service held together by strands of copper wire strung between dead trees. That is being changed.

Telstra is understanding that extreme weather conditions, floods, remoteness and the other obvious advantages that come from improved technology mean that it is able to install better and more robust network facilities right around its network. Despite the record-breaking havoc that has come as a result of the bad weather that has been through southern and northern Queensland, there has been an improvement in the service that Telstra is providing. The whole question of universal service obligation, the whole question of focusing on consumer needs, is certainly a challenge that has been laid down very firmly at Telstra’s doorstep and a challenge that has been taken up extremely well by this organisation. All I can say to Telstra is, ‘You have got to keep it up.’ If Telstra does not, I will certainly come into this parliament and criticise it for not doing so.

But, as the marvellous organisation that it is—an organisation that, in the judgment of Australian institutions and private investors, is worth investing in and an organisation that has realised some real gains in the last couple of years as a result of its changing ownership picture—it has more than risen to the challenges that competition has brought and it has still delivered on the demands of this government to provide a proper level of service, enshrined in legislation. That is something that those opposite never did; yet they are now claiming some great responsibility for and attachment to it after five years in opposition. Maybe after another five years or so in opposition, they will have an even greater understanding of the various issues associated with this sector. Service standards is one aspect that is dealt with in the amendments in this bill.

Another matter I want to raise in relation to the Telecommunications Act 1997 is that of public consultation, an issue that I have raised on many occasions. The Telecommunications Act 1997 properly gave planning responsibility to local authorities to work with local people and to get right the installation of things like mobile phone towers. The Parliamentary Secretary to the Minister for Communications, Information Technology and the Arts, Senator the Hon. Ian Campbell, has to be congratulated on every occasion we speak on these matters, because Ian Campbell has risen to the many demands from members on both sides of the chamber about the very poor performance of mobile
telephone carriers. There are dozens of them and some of them are acting, and have acted in the past, like cowboys—riding roughshod over the people in local communities who demand reasonable consultation and do not get it. There was no such demand for consultation under the Labor Party’s regime; there was no demand for ensuring that local infrastructure was placed in a way sympathetic to the views and concerns of the local community. This government has, of course, presided over a much different regime.

I welcome the fact that Cable and Wireless Optus—as it is referred to in this letter from a consulting service company, ownership changes notwithstanding—have asked this company to write to people in and around the St John’s Anglican Church at Wishart in my electorate to seek views on the way they are going to alter an installation which is attached to the church. I welcome this because it is evidence that this organisation is taking seriously the threat that I have made and the threat that the parliamentary secretary and the minister have made in regard to legislating more strongly to demand proper consultation with the local community and proper outcomes in telecommunications roll-out. In this particular matter they are talking about lowering several antennae below the edge of the roofline of the rear wall and relocating the transmission dishes from the peak of the roof. The fact that local people are not happy about it is an understatement. The fact that they found that the original dealing with Cable and Wireless Optus on this particular site poor and unreasonable, that Brisbane City Council never insisted upon the consultation, that Brisbane City Council saw this as a low impact facility and used that as an excuse to say, ‘Do whatever you like,’ and that the Brisbane City Council never demanded proof from Cable and Wireless Optus that they were consulting, has left a very bad taste in the mouths of people in and around the site.

It is worth repeating in this debate that the Brisbane City Council, the largest local authority in Australia, did not submit any views on how well the act that we are amending here today was working when there was a review of this act in about 1998. The Brisbane City Council instead proceeded to try to use political means—the media and so forth—to try to blame the Commonwealth every time a planning decision got too hard for them. So it is astonishing now to see the Brisbane City Council working with the Queensland state Labor government to excise land from parks in my electorate on behalf of telecommunications companies when local people have rightly staged protests against, for instance, the OneTel tower proposal at Graceville Memorial Park in my electorate. What has the Brisbane City Council decided to do? It has decided to rezone a section of a long-established park with a noble tradition attached to service personnel from wars throughout this last 100 years since Federation. It has decided to excise a piece of land and say that it is no longer part of the park, it has now been set aside for, predominantly, telecommunications use. They are doing this at Graceville Memorial Park and at Chelmer Recreation Reserve.

These are two suburbs, side by side, which have without any doubt very upwardly mobile people who are willing to fight this hard. Their local councillor Jane Prentice and I have worked very hard on their behalf and I am quite astounded by the perverted view of the Brisbane City Council on this particular issue. The bottom line is that they are making $23,500 from those deals alone—to essentially sell bits of park off and have them rezoned and excised by the Queensland state government, which has just been elected in a landslide and, quite frankly, does not give a toss about what is going to occur. In the same vein, we have the Soorley administration in Brisbane, which 12 months ago was elected for four years. Lord Mayor Soorley has announced that he is not going to run at the next election. It will be 13 unlucky years for the people of Brisbane that Jim Soorley has presided over them. He could not give the proverbial toss either about what people are thinking with regard to his approach on this matter.

The lord mayor has been quoted in the Courier Mail in recent times as saying that
parks were sometimes the best location for mobile phone towers. Local parks are not sometimes the best location for mobile phone towers. Parks are exactly that— they are places for recreation, they are places to bring the community together. In the case of Graceville Memorial Park it is meant to be a place of history, a place of dignity. It is astounding to me to see, in this Federation year, the Brisbane City Council presiding over what they believe is a good move. It is a half-smart and incredibly clever move by the Brisbane City Council in cahoots with the Queensland Labor government to excise bits of park off because the going got too tough. Why did the going get too tough? It got too tough because the people in the local area objected, as they were entitled to under the planning provisions of the Brisbane City Council, to their decision making with regard to telecommunications infrastructure—a circumstance which would never have existed under the previous government, and a circumstance that existed only as a result of the 1997 Telecommunications Act brought in by this government. It is a perversion of the intention of this act. Bits of green on the reference of life do not give an automatic green light to install telecommunications infrastructure. The mobile phone carriers have got to get together. Organisations like Telstra and Optus, long established by comparison to others, have got to surrender bits of their turf and existing infrastructure and co-locate more than they currently do. Local residents have every right to feel outraged that organisations like the Brisbane City Council, elected for so many years, do not care and have this arrogance about them. That the Queensland state Labor government are returning the strong vote they received at the last election with such arrogance so early in their return term is of great dismay to me.

Having said all of that, I welcome this omnibus bill, and I welcome these amendments to the various principal bills and acts that we are changing today. I believe it is ongoing evidence of this government’s commitment to real, proper and sensible changes to legislation affecting this vital area. (Time expired)

Mr McMULLAN (Fraser) (11.42 a.m.)—I rise to support the amendment moved by my colleague the member for Perth but, more particularly, to focus on that aspect of the legislation that relates to the book industry, in my capacity as shadow minister for the arts. I do think it is important that in opening I reiterate our commitment to the issues outlined by the member for Perth and the issues specified particularly in his amendment and the importance that we in the opposition give—and if elected to government will give—to those three powerful underpinnings and essential elements of effective communication by and with the people of rural and regional Australia: Australia Post, Telstra and the ABC. All those three fundamental institutions of our communications framework with rural and regional Australia and with the people who live in the country in Australia are under attack legislatively and fiscally from this government, and they continue to be. This is simply another reiteration of our commitment to support those three fundamental institutions of communication.

My principal reason for adding my name to the speakers list on the Communications and the Arts Legislation Amendment Bill 2000 is not to simply repeat the statements made by my colleague—I can simply endorse them by my vote. I want to say something about the book industry because this legislation amends the Public Lending Right Scheme. In the main, it amends it in ways with which the opposition agrees—we will not vote against any aspect nor seek to amend any aspect of it—but I will express my disappointment at one element, which is the implementation of previously announced policy, but policy which I think is flawed.

The most important thing to do here is to make it crystal clear that this modest change to public lending right for authors—broadly welcomed, as it is, subject to one qualification—is very poor recompense to the book industry for the powerful and damaging attacks that have been made on it by the government through tax changes and through proposals to change the laws as they relate to parallel imports. I want to say something about the scurrilous misrepresentation of the
facts concerning the current use it or lose it regime on books and its implications for book prices that are represented in the media as accurate representations of the current circumstances but which, I will seek to show, are not. The Public Lending Right Scheme is a very fine initiative introduced administratively by the Whitlam government in 1974 and given legislative form by the Hawke government in 1985. It has, for all of that time, done a good job on behalf of authors.

It is true, as with all such schemes based on volume, that the biggest beneficiaries are the most successful authors. It would be a perverse scheme if it were not but that means that new authors, emerging authors, people who are trying to make their way, and refreshing, exciting new authors—people who in some way are the most important—do not get much benefit from this scheme. They get some and they get the potential to get more should they succeed. It is proper recognition for successful authors. The biggest beneficiaries of the Public Lending Right Scheme in the last year for which I have seen figures, which is 1999-2000, were Bryce Courtenay followed by Paul Jennings. I guess neither of them was sitting at home saying, 'I wonder if I can pay the gas bill today; I hope the PLR cheque comes in a hurry.' They are both very successful authors but, nevertheless, their capacity to sell their very successful books is affected by the vast number of their publications found in public libraries around Australia and therefore borrowed by people as an alternative to buying those books. That is very welcome; we want Australians who cannot afford to buy books to be able to read them.

The scheme was introduced in 1974 for that reason and legislated for in 1985. The then minister, Barry Cohen, said:

Public lending right is an internationally recognised concept of compensation paid to authors to recompense them for income lost by the free multiple use of their books in public lending libraries.

The Australian public lending right scheme was introduced in 1974 ... following recommendations by the Literature Board of the Australian Council for the Arts. The Board had undertaken a study ... in response to representations from Australian authors and publishers seeking recognition of the principle that the community as a whole should compensate them, at least in part, for the loss of potential income represented by their books being borrowed, free of charge, from public libraries.

That principle remains valid today. It has been reinforced recently by the education lending right which this government introduced as part of its compensation for the introduction of GST on books. I welcome the introduction of the education lending right. I should declare an interest here in that my wife has just published a book which means, if it sells as well it looks like it will, I will probably ultimately benefit from the education lending right—

Mr Sidebottom—Do you recommend it?

Mr McMULLAN—it is not a book that I think would recommend itself to some other members here unless they are proposing to study Macbeth in the near future. We are not at home waiting for the big cheques either—I do not think ELR is going to transform the family income, but I declare that interest for propriety, although I know the standing orders do not require it.

It was a welcome part of the GST compensation package—the best part of the GST compensation package for the book industry. It would have been far better had there been no GST, and I will comment on that in a moment. It is a bit ironic to me because, as shadow minister for the arts before the last election, when we proposed introducing an ELR the government attacked us. Nevertheless, I am pleased they have introduced the ELR. It is a very welcome initiative and adds to PLR. If it were not for the wonderful sales of Harry Potter, which are setting records, we would be seeing statistics showing a stark decline in book sales. The aggregate figure is relatively flat—

Dr Kemp—they would be declining if they were not increasing.

Mr McMULLAN—No, they are actually not increasing, and ignorance of the facts is no excuse, Minister. You are supposed to be the minister for education but we know that a
fact has never interfered with a good argument for you in question time. It is a pity you continue it during debates about serious matters. There is a very interesting question that my colleague the member for Bendigo raises from time to time and that is: why does this government hate the people of Maryborough? That town depends very substantially on the book publishing industry and it continues to be significantly adversely affected by decisions by this government. It may be they are paying a price for voting for the member for Bendigo but at least they now have someone who speaks up for their interests.

The government said the price of books would rise by four per cent. The book industry said that they thought the rise would be between eight and nine per cent. The ACCC, in its recent general price survey of August 2000, said that the price of books had risen by 8.9 per cent between May 2000 and August 2000. I am sorry to disappoint the minister for education but publishers are showing a drop in sales in the first sale quarter of 2001. That underlying drop has been disguised by the Harry Potter sales. They were still very flat and most people, anecdotally, were saying ‘static or falling sales’ but the statistical evidence was less than clear. But now publishers are showing a drop in sales in the first sale quarter of 2001. As if that is not enough, we now have the proposition to change the parallel importation laws and do away, for the book industry, with the use it or lose it policy.

I was surprised to see figures in the newspaper, and used by the Attorney-General yesterday—they are in the ACCC report and puzzled me because they were so contrary to all the other data I had seen—which said that books in Australia cost 44 per cent more than they do in the United States. That stage, I did not have a copy of the ACCC’s report. They had sent it to some of my colleagues, but I had not received a copy. I have now received it and have had a look. What they have done is pretty cheeky. They have averaged the price differential over the last 12 years at 44 per cent because, before the use it or lose it policy was introduced, the price differential was 77 per cent. So they have included that price differential in the average and said that current policy is not working. Fortunately, they have also included this year’s figures. I also find that they have quoted very selectively. They have a narrow definition of ‘best selling paperback fiction’ and have shown that, compared to the United States for this year, the price differential has fallen from 77 per cent to 14 per cent under the existing policy. It was 77 per cent before this policy came in, has fallen to 14 per cent, but because of a bit of statistical jiggery-pokery, they have an average of 44 per cent.

We then turn to the document which does not refer in its written text so much to that 44 per cent number. It talks about the price of all best sellers excluding hardback fiction—I think that is a correct category to use—which have been on average 18.4 per cent higher than in the United States. I turn to that table, which has not been mentioned—it was not put out to the media, although it is in the publication; I do not think the minister remembered to refer to this—which says ‘all best sellers’, that is, the books most Australians buy. It refers to the average; suddenly they have changed the benchmark. They have dropped the 1988 figure and have used 1994. You always worry when people compare the same data but start shifting the benchmarks. You think they are rorting the numbers, and they are. It shows a dramatic increase. Before the introduction of use it or lose it—the current laws—the price differ-
ential was over 40 per cent between the United States and Australia. What is it in 2000-01? Minus 0.8. Books are cheaper in Australia this year than in the United States and they were in two of the last three years; they are cheaper in Australia than in the United Kingdom and they were in all of the last three years.

Here we are seeing doctored numbers to justify a preconceived policy outcome that the government wanted to achieve. They needed some numbers to back it up, so they have bodgied them, because, if they had included going back over the last 13 years, they would have had to include some of the years when the price differential was very low. So they cut it off halfway through to change the average. But my real concern is this: there is no graph which shows the trend in price, which is from a price 40 per cent greater than in the United States before the introduction of the current policy. There is a consistent pattern of year by year fall. The trend would be consistent—not every year, because there are dollar value changes and changes in which books are being sold; the basket changes a bit from year to year, so it is not a uniform straight line drop—and any graphing of it would show a clear downward trend, that best sellers are cheaper in Australia and in the United Kingdom today under the existing policy, and that the differential has fallen between Australia and the United States by more than 40 per cent and between Australia and the United Kingdom by more than 27 per cent. Yet the government has the temerity to claim, on the basis of these doctored figures, that prices are 44 per cent higher. The highest figure you can find—if you scurry around and try to doctor up an average and get the right, narrowly defined category that gives you the right answer—is a 14 per cent figure for current price differential, but the other three are all negative. They all say that the price is lower in Australia. I know that that is an embarrassing figure—it should not be cheaper—because somebody sitting in an office somewhere thinks there is a theory that it should be higher. It does not work like that. The use it or lose it policy has worked well and has served the interests of the Australian consumer while balancing them with the interests of the Australian creator.

I make no apologies for saying that our policy believes we should not just have one side of that equation in the focus. We must protect the interests of consumers. They are entitled to have access to books and at reasonable prices, and pre the introduction of use it or lose it they did not. They neither had ready access nor access at the proper prices. We also have to protect the interests of the creators, the people who create the intellectual property. In the 21st century, the new currency of the knowledge nation is intellectual property. It is the income that flows from the ownership of intellectual property. If we do not protect those interests so that Australian writers today can gain income from the intellectual property which they create, the next generation of intellectual property will not be created because those people will not be able to capture the benefit.

Let me give you a simple example of a successful Australian writer and their Australian publisher, who think, ‘This book’s going pretty well in Australia. It might work in the United States or in the United Kingdom. Let’s try it.’ Despite it being a success in the Australian market, it does not work in the United Kingdom, American or some other market—I choose those markets because they are English language markets and it is the most obvious comparison. It is possible, under the proposal the government is putting forward, that somebody could buy those books in the United Kingdom or the United States, bring them back and sell them in this market, and the Australian producer would get zero royalty, or perhaps some but lower royalty, because of the royalty in those other countries. So their own books would be destroyed by their own ambition. ‘Don’t try to sell Australian books overseas—you will undermine the Australian market.’ This is a perverse policy.

I want to conclude by saying that we will not oppose these changes to the public lending right. The objectives clauses that have been put in are proper—they do not make the
scheme any stronger but they make its purpose clearer and better articulated. We do not have an objection to that. I note that one of the changes is to implement a rather mean-spirited change which the government announced in 1996. They actually announced a number of changes. There was a big protest movement by writers. Writers are pretty hard to mobilise; they are very solitary individuals. But, through the Australian Society of Authors, there was a protest, led by Judith Wright, who was a very private person but who turned out because of the threat—not to her, because she was very successful, but to writers as a whole—to cut the public lending right. The government backflipped on most of it but it did cease payments to beneficiaries of deceased creators. This bill implements those changes—and I regret that—but it is the policy and it has been the policy for some time. The bill should be tidied up to reflect that policy but I think it is an unfortunate and mean-spirited element. So, although we support the changes to the public lending right legislation and I support the amendment moved by my colleague, this is very small recompense for the devastating attacks—current and proposed—by this government on the Australian book publishing, book writing and, in general, literature industry.

Mr CADMAN (Mitchell) (12.02 p.m.)—The House is debating the Communications and the Arts Legislation Amendment Bill 2000. There are a number of features to the amendments within the bill. I will deal with those briefly, and with the amendment to the motion for the second reading, proposed by the Australian Labor Party. The Public Lending Right Scheme will be amended by the proposals before the House today. The amendments make minor changes to the processes for making final payments following the death of a creator. I appreciate the remarks by the previous speaker when he made reference to the public lending right process and the advantage that offers to authors. In particular, it is my view that, whilst commencing authors do not receive great benefit from the public lending right because their works do not often appear in public libraries, there is a growing body of Australian authors who do benefit from it. The previous speaker touched on popular fiction writers, but it is my view that the group that benefits most are those writers of technical or scientific textbooks and non-fiction journals, who in fact are really brilliant contributors to the storehouse of human knowledge and tend also to be great Australians.

Having recently taken part in an examination of copyright and particularly the digital agenda in regard to copyright, I want to place before the House my continuing interest in the protection of original work and the need for Australia to maintain a strong and cohesive approach to protecting the rights in intellectual property of creators of material, particularly where it goes into the digital environment. There is a need to protect the first digitisation of work because that is the point at which it is launched into the ether and anybody can gain access to it. The role of libraries in this regard is significant. The House of Representatives Standing Committee on Legal and Constitutional Affairs drew the government’s attention to the need to make sure that Australians and their rights are protected, because it is obvious that our competitors in intellectual property areas, such as the United States and Europe, tend to protect their authors very strongly. We need to make sure that we also have a similar regime. Whether it be through libraries or other methods, we should make sure that the rights are maintained, particularly in the digital environment.

This legislation also provides immunity to carriers and carriage service providers in circumstances where they need to respond to a senior police officer’s request. It is a sensible provision and one that protects carriers in times of disaster or emergency. It is uncontroversial and is a sensible change.

A factor in the legislation before the House is the changes that are made to the Trade Practices Act, providing the ACCC with more immediate advice to telecommunications companies on remedial action that they could take to cease any anticompetitive behaviour. There is pretty intense competi-
tive conduct in the telecommunications environment and certainly the ACCC needs to be proactive. To me, the steps taken by Telstra to protect its areas of interest have at times bordered on anticompetitive conduct. The role of the ACCC to move in and advise Telstra that it needs to get with it and change its act in a competitive environment is pretty significant.

These proposals are not exceptional. If one applies a bit of effort to interpreting the processes that are suggested in the legislation, one finds that the ACCC’s capacity to provide advisory notices will streamline and make more efficient the advice needed to ensure that a provider should not take or consider taking—or does not engage in or continue to engage in—any kind of conduct dealt with under the Trade Practices Act. That seems to me an efficiency thing and a quick reaction process that is needed in this competitive field. I can imagine Telstra will fight all of these changes all the way down the line, because Telstra intends to maintain its strong control, to the best of its ability.

Telstra has a number of ways of maintaining its control, such as granting access to its main trunk routes and the complexity of that interconnect process. Recently, I visited Cable and Wireless in Kalimantan, and looked at their inter-reaction with the Indonesian Telko. The operators of Cable and Wireless very quickly made me aware of four or five predictable avenues chosen by telcos in protecting their bailiwick. The arguments that will be used are absolutely predictable. The first is the differences in technologies which make it hard for a new non-telco to relate to the resident monopolistic telco. The fact that things are complex and difficult and will take a long time to get right is a typical protection process used by telcos.

I know the Australian Labor Party does not like this process, but I have a great deal of confidence in Telstra. I think they are a great organisation and can handle competition. They need not be afraid of these things. When the implementation of CDMA came in, they put up rearguard actions and made some extraordinary claims—about the coverage that would be achieved, the quality of the service, and how it would replace analog. All they were seeking to do was to protect themselves. They would be much better off being more forthright, accepting competition, taking the challenge and moving ahead with a new technology. It is a pity that issues such as these proposals to strengthen the ACCC are so significant in forcing Telstra to adopt a more reasonable attitude to their competitors.

Some competitors in some instances have shown poor conduct themselves. I know within my own electorate in particular, when one looks at telecommunications towers, the way in which some of the new arrivals consult the community leaves a lot to be desired. They have no intention of consulting the community effectively. They ride over the top of the community and seek to use the Telecommunications Act to their own advantage. That is not satisfactory conduct either. They need to be jerked back in line just as much as Telstra need to understand that a competitive environment is beneficial to them. We have great technical skills in Australia, great capacity.

The predictable defensive attitudes that I found in Indonesia have been reflected here in Australia. It is a pity. One has only to look, for instance, at the $150 million free call contract that is in the process of being negotiated to see where Telstra again, I believe, has not been as forthright as it could have been. Telstra was successful in winning that tender, and I trust that it will be able to provide an outstanding service to remote and rural Australia. It was selected by the minister—and the announcement was made by Senator Alston on 14 February—to provide untimed local calls to remote and rural Australia. I am pleased that Telstra was able to extend the provisions that were originally called for. I understand that about 40,000 services, covering 80 per cent of Australia’s landmass, will be covered by this free call provision. I cannot wait for it to happen. The delays, setbacks and foot dragging that have occurred, in my opinion, since about May of last year have been almost intolerable when one considers the benefits that could have
accrued to Australians in remote areas if this thing had moved ahead as was proposed—if it had moved ahead on time as was originally proposed, without the problems and difficulties that were raised each step of the way by Telstra.

Calls within the extended zone or adjacent zone will be untimed, and the maximum local call charge will be 22c per call. That will be a huge benefit to people living in remote areas. There about 110 such extended zones, ranging from about 8,000 to 200,000 square kilometres in size. Just imagine how the people living in remote and north-western Australia—remote communities, station properties, pastoral properties, indigenous communities and service providers—will benefit from this process. Also, as part of the contract, calls from an extended zone to its community service town and to the community service towns of all adjoining extended zones will be charged at a preferential rate of 27.5c for 12 minutes. This is giving almost a trunk call capacity to local communities for slightly over the local call charge—certainly much lower than the public telephone call charge.

The community service town for each extended zone is the designated town for commercial purposes. There will be a maximum 22c untimed local call charge for dial-up access to the Internet in all extended zones, with access being provided on a non-discriminatory basis to ISPs. That is an untimed, maximum 22c call for the Internet. That is huge. Think of the benefits of the Internet for the business community and station properties, which will be able to transact negotiations via the Internet. They will be able to make sales for the export of Australian goods, whether it be food or other products. Consider the educational advantages for young people and kids in remote areas who will be able to conduct their education services over the Internet for a 22c untimed local call. There will also be benefits for women and their support services in remote areas in having access to the Internet to deal with the health issues that are of concern to them. It will overcome the isolation factors and the management factors that are essential in remote communities to get accurate information, whether it be on changes to the tax system or to quarantine services—all of the management roles that females in remote areas so often undertake. Advice can now be given directly via the Internet. It extends the community in a great web of information and provides a local association that will cut down to a great extent the dreadful tyranny of distance so well depicted by Geoffrey Blainey. One can understand that this is a great advantage for remote Australians—people living in regional and rural Australia.

I am really excited that the government is taking these steps, that this legislation in part will make sure, through changes to the Trade Practices Act, that Telstra and others abide by their commitments and that there is a process of quickly telling them if they are exceeding what is a sensible thing. I refer to the words in the bill once more, because I think they are well chosen where it says that the carrier or provider should be given notice about ‘the action it should take, or consider taking, in order to ensure that it does not engage, or continue to engage’ in any kind of conduct under a competition notice. This is pretty wide, and I am pleased that the ACCC will have that capacity. These changes are going to benefit a great number of customers. The dial-up Internet speed is very important, because it is possible to string out the Internet service on a length of copper wire at such a slow pace that it only creates frustration and disappointment for the users rather than any real benefit. The speed for customers in the extended zone will be 14.4 kbps, with 19.2 kbps or higher being available to as large a proportion of extended zone customers as possible. The 19.2 speed is pretty significant and the 33.6 kbps to 400 kbps will depend on the package purchased by the customer. I hope the higher speeds are achievable, because in my time in Kalimantan it was obvious that the quality of two-way satellite communications and the speed with which they could be conducted was of great benefit to the consumer. I trust that the goal of Telstra will be to provide a maximum high-quality service, a two-way satellite if
possible, with a minimum reliance on any slow technology.

I conclude my comments by referring to the proposed amendment by the Australian Labor Party. This amendment seeks to have a swipe at the government for what the opposition perceive is an indication that the government may consider selling Australia Post and that, in some way or other, the government will take steps which will be detrimental to rural and regional Australia. I just want to refer the House briefly to some comments made in the parliament this week. The Deputy Prime Minister pointed out the past practices of the Australian Labor Party, which succeeded in closing 277 post offices during their period in office. Any member who serves an area that has some rural elements or even some suburban elements will know the trauma created in communities which have their post office closed. The Labor Party are past masters at closing post offices. They do not care about local communities; they just let it rip. They let the unions run Australia Post. If the unions did not jack up, they closed the post office. That is the way it worked. You could never get union support to help you stop a post office closing. You had to get the community out and motivated; you had to kick up a stink in the local newspapers, and get the local press and the local management of Australia Post on side, to try to provide an incentive for the local community to keep using the services of Australia Post. The Australian Labor Party, past masters at closing post offices, closed 277 post offices in their period of office; yet, during this government’s time in office, 105 post offices have opened. That is a picture quite opposite to the one contained in the Australian Labor Party amendment that will be argued in the House today, which is a spurious, inaccurate and untruthful argument. I do not think there is any place for untruths to be presented to the Australian people. They will reject that as absolute untruth.

A funny thing happened last week when the Postal Services Legislation Amendment Bill 2000 was on the table. All of a sudden, without warning, it just vanished from the Notice Paper. Government members came in with their tails between their legs and offered no reasons, allowed no debate, gagged the opposition and refused to discuss this very important bill. More importantly, it was a good thing that they pulled the bill off the agenda, because it was a bad bill, just as they are a bad government. I was very eagerly waiting to debate that bill, but I am glad it is not on the agenda, and I will take the opportunity, in speaking about communications and this bill, to highlight some of the issues I would have raised in that debate.

What we have seen from this government is not a secret agenda, although many of their agendas are secret and are twisted in the Orwellian words that the government use to hide their true intentions. But what we and the community know is that this government have been about more than just the deregulation of the postal industry and Australia Post; they have been about complete privatisation. In the end, that would have meant that the communities of which they claim to be the representatives would have hurt the most.
This government would have hurt most the people they claim they are the arch defenders of: people in the bush, the farmers and business people—although, I wonder how the government, today, could explain to business people how they could be on their side, given some of the legislation we have seen in this place on GST and a whole range of other things.

So it is confusing out there as to just whose side this government are on, because they are certainly not on the side of the community and they are certainly not on the side of the people they purport to represent. That is being reflected all over the country as we speak. People are very angry. They are angry probably at levels that we have not seen in this country for many years. In politics you have got to expect that there is going to be some anger—some decisions are hard to make and there is a price to pay. But when this government consistently go out there with an agenda to get rid of things, to get rid of services, to do damage for some ideological bent they are set on, there is a real danger.

The bill that we saw pulled from this place last week was not pulled out because of good nature, good heart, goodwill or good intentions, because the word ‘good’ would never have come about in the discussions the government would have had. It would have been more along the lines of ‘How do we get out of the mess we’re in?’ So the spin doctors would have been gathering around, and I assume they might have been the same spin doctors who are now being employed by the Minister for Defence in his very extravagant new departmental area—the big PR machine. It is a Dad’s Army type of PR: how you can get the minister out of the proverbial poo he is in today.

The reason that these bills are so important is that, for a very important reason, Australia Post needs to survive. It provides a fantastic, vital service to the community. The price of postage, for example, is the same no matter where you are in Australia—a universal service obligation, something that this government does not understand. It is about providing a service to people in the bush, to rural communities, to people in remote areas—a service of equal standard to that which somebody in Sydney would get. I know it is going to be hard, particularly, for National Party members to understand, because all of their offices are in the main streets of main capital cities. ‘They once visited a country town,’ is how it is said. But the coalition have no understanding of the real damage that they are doing in those rural communities.

I can see the grimaces on the face of the Minister for Education, Training and Youth Affairs, who is at the table. He is so concerned that what I am saying might actually get out there in the community and that somehow the government will be discovered. Well, it is too late, Minister. You have been discovered; the government has been discovered. That is why, right now, you are so busy—not on policy or on good government—on spin doctoring, on backflipping, on rolling over. You are particularly busy with roll-back—that word the government loves to say, refuses to acknowledge and accepts no responsibility for. That is the mantra of this government. That is why we are here today talking about these issues, rather than talking about what this government should be doing to help people, because it does not help people.

I will touch on a number of things to see where the government is actually at today. We can have a look at some of the woes that it is facing. Let us look at beer, for example. What we see is that the government has again backflipped—
bring his speech back to the communications and arts legislation amendment bill and not range too widely.

Mr RIPOLL—Thank you, Mr Deputy Speaker. I will most certainly do that. What I am saying here is important because telecommunications is so vital to communities, and in those communities live the families and the people that this government should be looking after but is not. This bill demonstrates once again the lack of understanding of this government.

That is why I want to venture just slightly and talk about the Internet—perfectly relevant to this bill, perfectly relevant to telecommunications and the issues that surround them. We have seen a government bumbling its way around Internet moratoriums and somehow purporting to people—going out there and telling the world and hoping that it will be believed—that by banning Australian gaming sites it has done a good thing. Think again. You have done nothing. The government has done nothing in terms of any real policy or action towards Internet gaming or gambling. What it has just done is said, ‘You can game on the Internet, as long as you do it in an overseas site. Just don’t dare do it on an Australian site. We won’t have regulated sides in Australia, but go to those unregulated sites overseas. That’s fine. You can blow your money over there. You can get into all of the gaming problems and gambling problems that you might have in association with this, but just don’t you dare do it on an Australian regulated site.’

I share the concerns of this government when it talks about Internet gambling. I am very concerned about the damage it is doing in our communities, I am also concerned about poker machines in our community. I have been keenly watching and lobbying on this matter and talking to people about what we can do to slow down the proliferation of poker machines. They are a real problem in everyday life in all of those communities that are being affected by the policies of this government.

But what does the government do? It comes up with this half thought out, concocted policy and legislation that somehow people will be spared gaming and gambling on the Internet because there will not be any Australian sites. Maybe it needs to look at what ‘World Wide Web’ actually stands for and have a closer look at the telecommunications acts and bills and policies and where its policies are driving Australian consumers. The government will not spare one person. Logging on to the Internet does not mean you are logging on to Australia; it means you are logging on to the world. Many of those international sites are run by criminal elements, and some very unscrupulous activities will be carried on by the owners of some of these sites.

But the government pretends once again in its Orwellian approach to policy, just like its doublespeak—black is white, white is black; if you repeat a lie often enough somebody will believe it—to take responsibility. The government does not take responsibility. Right now we are seeing the most unbelievable thing taking place in this House. We are seeing a government in an incredible amount of trouble, a government reeling over the position that it has put itself in and the hurt that it has caused the community, and we are seeing the government now saying, ‘It’s not our fault; it is the opposition’s fault. The opposition are responsible for the low Australian dollar.’ Somehow we did it! It is pretty hard to understand how it has come around to this way of thinking. But that is what happened. The Treasurer comes into this place and says, ‘The Australian Labor Party is talking down the economy.’ How do you talk down an economy that is reeling from the policies of this government—reeling from the GST, reeling from all of the bad policies that it has put in place and reeling from the broken promises that have caused this to happen? Of course, after the event it is quite easy to say: ‘Well, it’s not our fault; it was those other guys. They did it. It was them.’

Let me assure Minister Kemp, who is now leaving the House, that it was not ‘them’; it was your government, Minister, that did this. While the minister might decide that this is not an important issue and leave this place, I can certainly assure him that he will be
chased down every street and every corridor in his electorate and asked why those ordinary families are suffering as they are because of the policies of this government.

Let us look a bit closer at the Australian dollar and the effect it has had on the community and perhaps look at history—because this is what we need to do to understand where we are at today. Mr Deputy Speaker, let me take you back to 1996. At that stage the Australian dollar was US74c. Wouldn’t that be nice today? In 1996 Mr Costello said:

A falling Australian dollar reduces living standards ... With each fall of the Australian dollar Australians have to work longer and harder to acquire any given amount of imports.

Mr DEPUTY SPEAKER—Order! I am loath to interrupt the member for Oxley, but we really are talking about public lending rights. We did have a point of order before, which I did not uphold, but I would ask that we come back to the Communications and the Arts Legislation Amendment Bill. You may show where the falling Australian dollar has a relevance to Australian lending rights. If you could do that, you would be in order, but I would ask you to come back to this fairly narrow legislation.

Mr RIPOLL—Thank you, Mr Deputy Speaker. I thank you for your assistance in drawing my attention to those matters. In speaking to the amendment in particular to this bill, I am trying to draw to the attention of the government the very important issues at hand about how its agenda is hurting the rural communities and people in the bush and relating it directly to postal services and, in particular, telecommunications. The Australian dollar, as we hear every day in this place, and interest rates are absolutely and directly related to the matters at hand. The Treasurer, in this House, has been trying to somehow convince Australians of the value of a US exchange rate for the Australian dollar of US47c. On 3 April 2001, only yesterday, the Treasurer said:

Not only are the fundamentals of the Australian economy not being reflected in the exchange rate ...
of digital TV and the blundering mess that we now face. The government went out there and promised all sorts of wondrous things for this communication medium. They said that somehow digital TV will deliver better services and increase access and that it will be better for all Australians—just as they say that this bill, by deregulating Australian Post and doing all these things, somehow will improve services and that they will deliver. What I am trying to do here is show up the government’s agenda. I am trying to show what they say they are going to do on the one hand and what they actually do on the other.

So I might take this wide-ranging debate to digital TV and ask: what has this government delivered since it made promises on digital TV? It has delivered digital TV sets to ordinary consumers. I notice there are a few people in the gallery today listening to these proceedings. I might ask: how many people can afford a $10,000 or $20,000 digital TV. How much has this policy delivered, and how much will this bill of the government deliver on digital TV to ordinary consumers? Zip. This is more elitist policy that does not deliver for ordinary people. You might ask the Deputy Prime Minister of the country how many people in his rural electorate will go out and buy a digital television set. Probably not many. Certainly there will not be any people in my electorate who will be purchasing one. This goes to what I am trying to explain of the harm that will be done if the government’s agenda is allowed to be pursued. The government does not care and takes no responsibility for its actions. It continually comes in here and deems itself of any responsibility for its actions. It continually comes in here and deems itself of any responsibility for the harm that it is doing. Out there in the community we try to explain this to people who are seriously hurt by the policies of this government. Recently I was talking to some people in my electorate about what will happen if Australia Post’s services are deregulated. When you look at the bill closely, if this government’s agenda is allowed to continue, it will mean that we will have differential rates of postage in Australia. We will have all sorts of things taking place. By pursuing competition policies, by pursuing the agendas of this government, people in remote and rural areas will once again pay the price. The very people this government pretends to represent are the ones it makes pay the biggest price. It is those people who suffer the most.

When we talk about the fiscal responsibility contained in this bill, about the costs to the community and about what this might actually mean, we see a government that makes the claim to fame—or so it pretends—that fiscal responsibility is its domain. Let me remind everyone that this could not be further from the truth. This government has no idea of fiscal responsibility or restraint. In the history of the Australian parliament, this is the biggest taxing government we have ever seen. It is now becoming the biggest spending government that we have ever seen. But it is not spending because it wants to deliver services. It is now out there promoting itself, spending hundreds of millions of Australian taxpayers’ dollars on self-promotion and PR, because it is failing in the community; it is fearing an election loss. That is what is driving the agenda of this government. It is not good policy or good government; it is the fear of losing an election. (Time expired)

Mr NEVILLE (Hinkler) (12.42 p.m.)—I intend to talk about the Communications and the Arts Legislation Amendment Bill 2000. Before I do, I might say that I have followed the honourable member for Oxley in both chambers today, and he has given the same speech twice. His speech no more related to the Coal Industry Repeal Bill 2000 than it did to the Communications and the Arts Legislation Amendment Bill 2000. In fact, I do not think he mentioned one issue from the bill that we are talking about today. He ranged over beer, the postal bill, backflips, Internet gambling, who is responsible for the low Australian dollar, the GST, exchange rates, digital TV, the differential rates of postage and fiscal responsibility. That is not bad.

The member for Oxley is a very thoughtful member. I am surprised at his presentation today. I think this is one of the times when he has said, ‘If I am going to speak on
this bill I will have a bit of a dalliance today.’ If I was one of the good burghers of Ipswich and Oxley, I would think I had been let down very badly today, firstly, on the Coal Industry Repeal Bill 2000, and then on the Communications and the Arts Legislation Amendment Bill 2000 that deals with things such as the university in his electorate and the very good library that the Ipswich City Council maintains in his electorate. The Ipswich community prides itself on its great library. I would have thought he would have been talking about this bill today because it has some relevance to his electorate.

Mr Ripoll—Mr Deputy Speaker, I rise on a point of order. I understand that this is a wide-ranging debate on the bill, but I fail to understand how the comments of the member could possibly be related to the bill at hand.

Mr DEPUTY SPEAKER (Mr Hollis)—The honourable member for Oxley should appreciate that he got great tolerance from the chair. I find what the honourable member for Hinkler is saying is entirely in order. I suggest that the honourable member for Hinkler be heard in silence, as indeed the honourable member for Oxley was heard in silence.

Mr NEVILLE—The point I was making is that the otherwise thoughtful member for Oxley, who normally makes great contributions on these matters, was straying into a field of dalliance today. Getting back to the bill, it is about communications, intellectual property and libraries. The member for Oxley has a very fine library in his electorate—the pride of the city council. Having been connected with the arts in that area in an earlier manifestation, I also know that there are some very good authors there, who would be interested in what their member had to say about this bill—which I now intend to say something about.

The Communications and the Arts Legislation Amendment Bill 2000 makes minor amendments to a number of acts administered by the Department of Communications, Information Technology and the Arts. They deal with issues relating to the public lending right, telecommunications issues and competition between telecommunications carriers. I would like to focus today on the public lending right and later touch on telecommunications competition. The public lending right was introduced in Australia in 1974. It was based on the concept that creators and publishers may lose income when copies of their books are freely available in public libraries for loan and are borrowed by people who might otherwise buy books if they were not available in public libraries. It was a very sound concept. It would have been introduced, no doubt, by the Whitlam government.

Mr Horne—That is why we support it.

Mr NEVILLE—Good. That right operated administratively for 13 years until the Public Lending Right Act formally began in 1985. That would have been under the Hawke government, I would imagine. The changes being made as part of the bill today ensure that a clear statement of objectives of the public lending right is enshrined in law—we take it a step further. The objects of the Public Lending Right Scheme are twofold: first, to make payments to eligible Australian creators and publishers, as I mentioned earlier; and, second, to support the enrichment of Australian culture by encouraging the growth and development of Australian writing and publishing. There are some very good poets and publishers in the Ipswich area whom I happen to know about—in fact, whom I happen to know personally. I am surprised that they were not supported here today.

The Public Lending Right Committee is appointed by the minister. It determines eligibility, approves payments under the scheme, provides advice and makes recommendations to the minister. To be eligible for the PLR, a creator must be a citizen or a permanent resident of Australia and a publisher must be a person whose business substantially and regularly publishes books in Australia. More than 8,000 creators and publishers benefited from this scheme in 1999-2000, with a total payment of $5.3 million being made. I think that money
would have been helpful to people in that field, especially in the electorate of Oxley, where the new Queensland university is located. Again, I am sure that both his constituents and the university would be disappointed that he did not defend their rights in this matter.

The highest scoring books during the period were novels by Bryce Courtenay, while children’s author Paul Jennings gained 11 of the top 20 places—very interesting stuff. Have you read any of them? Another good initiative that complements the public lending rights scheme is the educational lending rights program—again, your university would be interested, Member for Oxley. This means that Australian creators and publishers whose books are held in educational lending libraries are now eligible to receive payments. I think that it is a very good thing to be extending this to those sorts of creative people. I have them in my electorate, where we have the University of Central Queensland. It holds some very fine academics and publishers, and I would like to see them defended. Again, I am surprised that the member for Oxley did not defend those that are in his electorate.

Australia is the only country in the world to have introduced this unique scheme. I would have thought that that warranted a comment, but I have not heard an opposition member speak about that today. I have not heard one opposition speaker refer to it. They have used it as a vehicle for all sorts of diversions—as I said before, for beer, postal services, backflips, Internet gambling, the Australian dollar, the GST, the exchange rate, digital TV, differential rates of postage and fiscal responsibility—but there was not a mention that Australia was the first country in the world to introduce such a right. Bear in mind that this legislation builds on Whitlam and Hawke legislation; you would think that Labor would be proud of it and not use it as an opportunity to sleaze around on other opportunistic issues.

As part of the book industry assistance plan, the government is providing $38 million over four years for educational lending rights. All this encourages Australia to continue writing about her own experiences, for which we are all the better and all the richer—even in the electorate of Oxley that is the case. This bill also amends the Telecommunications Act 1997 to provide immunity to carriers and carriage service providers in situations where they are required to comply with a designated disaster plan. Immunity is also provided to carriers and carriage service providers who choose to comply with a request by a senior police officer to suspend supply of carriage service during an emergency. That is a very important thing. I would have thought that it would have warranted a mention—just a mention—from the opposition speakers. In an inquiry that I am chairing at present—in which the honourable member for Lowe is also involved—we have seen that the relationship of the emergency services to radio stations is a seminal issue. Again, I am surprised that the member for Oxley has not touched on something as important as that. There is also an amendment to the Telecommunications (Consumer Protection and Service Standards) Act 1999 to alter a reference from the ‘Australian company number’ to the new ‘Australian business number’. That is only a tidying-up measure.

The final amendment in this bill relates to the telecommunications section of the Trade Practices Act. It deals with changes recommended by the ACCC in relation to advisory services and the monitoring of digital data service obligations. These telecommunications changes are consistent with what the coalition has sought to achieve since it came to government, which is a more holistic approach; not opportunistic but holistic. The coalition’s view has been that the most effective way to encourage price reductions, improvements in service and innovative products is to unleash the force of competition in the telecommunications area. That is not to say that I favour the sale of 51 per cent of Telstra, so let us not have that debate.

Opposition members interjecting—

Mr NEVILLE—It is off the agenda, my friends. As a result of the coalition’s policy,
consumers now have greater choice in service providers and a significant price reduction. Members of the opposition would surely be interested to know that you can get phone calls for 15c now in your own immediate area, STD charges have dropped by as much as 45 per cent and ISD calls by as much as 80 per cent, and some 50 carriers have now been licensed and are providing services.

As the debate has been wide ranging, Madam Deputy Speaker, and as your predecessor in the chair allowed the opposition an enormous amount of latitude in this matter, may I rebut something that they raised about the postal services bill that has been removed by the government. It is very interesting that they made a big play of the reserve nature of postal services. But did you know that it was a Labor government that reduced that reserve from 500 grams to 250 grams? It was their side of politics that started this thing. And they come in here today with their hand on their heart pretending that they really care about postal services.

You closed 277 post offices when you were in office. We have been reopening them. On top of that, we have given people transaction centres, which you did not even envisage. You did not even envisage something to replace the banks and the post offices in the small communities. We have made a statement which you never made when in office, that we will retain Australia Post in public ownership. We will ensure that the entire nation, including regional and rural areas, will be provided with a standard letter rate of 45c, with no GST applying over and above that 45c until 2003.

Mr Sidebottom—They are trying to shut you down.

Mr NEVILLE—I might be taking some of the minister’s fire, for which I apologise, Minister. I will stop there for fear of cramping your style.

Looking at the whole range of this debate today, I fail to see how the member for Oxley’s case had anything to do with it. He was talking in the other chamber about the exchange rate. I would have thought it helped Australian exporters. I never thought I would see the day when a Labor member would defend luxury imports. I think that just shows that the chardonnay set—

Mr Horne—What?

Mr NEVILLE—You should have heard your colleague’s speech in the other chamber. It was enlightening. On digital TV, this government has never claimed that people should need to pay $24,000 for a TV. When the original bill was introduced, it was done with the best of information available at the time. Unlike the opposition, who when in office allowed our analog network to be switched off before they had a suitable substitute, we knew there was a problem with what is known as the 180I high definition TV and therefore we allowed for the introduction of a lower standard, the 576 standard of standard definition. The television sets of that regime will be nothing like $24,000; they will be within the range of most buyers. They will deliver a whole new range of services, including enhancement channels and multichannelling on the ABC. They will allow a digital regime. To come in here and try and reduce the whole debate about digital television to the old 180I argument shows how out of touch the member for Oxley is, not only on the bill we are discussing today but also on the other communication matters, including the postal services bill and the digital TV issue. As for differential rates of postage, we have guaranteed the 45c rate to 2003, so I do not know what you are talking about.

I will finish on this note. How can any opposition who when in government left this country with $96 billion of Commonwealth debt and a budget deficit of $10.3 billion come into the parliament today and try to harass this government that has reduced interest rates, unemployment and inflation through a whole range of measures? How anyone could come into this chamber today and try to chastise this government for fiscal irresponsibility beggars imagination.

Mr HORNE (Paterson) (12.58 p.m.)—I would like to thank the member for Hinkler for a little bit of entertainment in the debate.
on the Communications and the Arts Legislation Amendment Bill 2000. As far ranging as he was, I would just like to say to the member for Hinkler that if you want to justify your economic stance and your management over the past five years and try and justify the doubling of family debt in this country over five years, feel free to go and put out a press release about it any time.

I also find the member for Hinkler championing Australian arts something of a conundrum when I think of what is happening to the ABC. I think of that wonderful program that was produced solely in Australia, Sea Change, with Australian writers and Australian actors. Where is it now? Because of the cut in the ABC budget, where are you championing Australian artists? We can sit down and watch The Bill or Monarch of the Glen; we can sit down and watch a whole range of imported programs. But do not look for an Australian program on the ABC, because they have been cut drastically. And you have the audacity to stand up there and say that this is a government that defends Australian artists. You are not even fair dinkum. I think it is ironic that this legislation is being debated today when I have a look at a report in the Australian Financial Review. Mr Hardgrave interjecting—

Mr HORNE—If the member wants to go back to his own seat, then I am quite happy for him to interject. This report had the headline ‘Bush facing meltdown, study finds’. It says:

The Federal Government must launch a multibillion-dollar scheme to bolster depressed regional areas where unemployment levels far exceed the national average or risk ‘national disintegration’, according to a specialist study. The study was put out by the Institute of Chartered Accountants in Australia and the Local Government Association of New South Wales. I find it very ironic that we are debating services to country areas in the form of communications when that report is out calling on the government to recognise the tragedy that is happening in rural and regional Australia today. Why is that tragedy happening? Because of the uncertainty caused by the winding down of services by the Howard-Costello-Anderson government.

I also thought it was a bit interesting that the member for Hinkler talked about analog phone services being cut out. Let me remind the honourable member, before he leaves the chamber, that Andrew Peacock and Jeff Kennett wished they had been cut out earlier. They really do—because a certain conversation would never have been intercepted, with the current Treasurer being referred to in very unparliamentary terms. Analog telephone services were cut out because they did not allow the security that most people demand when they are making a phone call.

Let me go on about Australia Post and the services it delivers, because many country towns now do not have a full post office. They may have a licensed post office or they may have an agency, but they do not have the full post office that they used to have. Only last week, when I was back in my electorate, I had a phone call from a constituent. Their telephone was out of service simply because the handset was unusable—it had to be replaced. They had contacted Telstra and Telstra said, ‘Yes, we’ll replace your handset, but you need to pick it up from a post office.’ They said, ‘In the town that’s nearest to us, only half an hour away, there is a licensed post office. Can we pick it up there?’ Telstra said, ‘No, you can’t pick it up there because they have not entered into an arrangement with Telstra.’ Evidently, if they are going to do Telstra’s business, they have to enter into a contract. They had not done that; only Australia Post has entered into that contract. They were then told by Telstra, ‘You will have to drive an extra hour. You can go to either Singleton, Maitland, Raymond Terrace or Newcastle.’ It represented a three-hour round trip to get to an Australia Post post office to pick up a telephone. I am pleased to say that I did intercede on their behalf, and I am very pleased to say that Telstra came to the party and finally did courier a phone out. But it would have been a three-hour round trip and, having regard to the price of petrol where these people live, quite an expensive one too.
There is uncertainty about services and there is the uncertainty that has been generated by the partial sale of Telstra. I was delighted to hear the member for Hinkler say that he does not support the further privatisation of Telstra. Part of the reason a report like this is referred to in the *Australian Financial Review* today is that rural and regional areas are no longer able to compete with their city cousins because of either the high cost of services or the lack of access to services—be it the time for a letter to get through, be it access to the Internet or be it the use of mobile phones—and I am sure, Madam Deputy Speaker Kelly, there are also many areas in Central Queensland that do not have a full service that would allow businesses in those areas to be competitive. That essentially is the argument that rural and regional Australia has with this government. The point that I would like to make is that the accelerated rate of depreciation of those services under the Howard-Anderson government has been noted by these people. That is why we have in rural and regional Australia unemployment levels that are 50 per cent higher than in city areas and that is why there is a call for a rescue package of the order of $2.6 billion. I have another theory. The debate has been wide ranging. I would also suggest that part of the reason is that for too long, large organisations have been taking their profits out of rural and regional Australia and they have not been replaced. The corporate citizens or the government have not replaced their profits with the infrastructure needed to allow country areas to continue to be productive. When things like dairy deregulation adversely affect communities—communities in my area like Dungog and Gloucester—those communities have to look for new industry. The infrastructure is not there to allow them to be competitive.

Essentially they are the sorts of things we are debating today. I believe this government finally, as a result of reports such as this report presented by the chartered accountants and the Local Government Association of New South Wales, have had a bit of a wake-up call. I will be interested to see how they respond to it. Part of the problem will be, they will not be able to respond in time. The wind down has been too much, too soon, and the lack of services is reflecting adversely on rural and regional Australia. This government can take no pride in what it has done over the last five years. I say that because it regards itself as a government that is in coalition with the party that supposedly does represent rural Australia. I sometimes wonder when I have seen legislation go through this House just why those people did not stand up and be counted. That is what the people of rural Australia are also asking. Where is the party that was supposedly elected to support them? It simply has not been a voice in this coalition.

I indicated that I would not speak for the full 20 minutes because I know other members also want to comment. I certainly support the amendment that has been moved. I do note that we do not oppose this legislation but we certainly would like our amendment to be considered seriously because we are less than happy with some of the processes that are taking place in the delivery of services to rural and regional Australia. We are certainly unhappy in the way that this government is supporting Australian artists, be they authors, actors, playwrights or musicians. Australia has a great tradition of producing fine artists. I do know that the minister at the table now is a keen supporter of Australian art, but I sometimes wonder if he gets the support from the government that he deserves.

Mr MURPHY (Lowe) (1.09 p.m.)—I would like to make my contribution to this far ranging debate on this communications and the arts legislation. I commend the member for Paterson for his very erudite speech just completed and also the member for Oxley, as well as the member for Hinkler for his highly engaging and entertaining speech. Before I start I would like to say from the outset that generally I support the *Communications and the Arts Legislation Amendment Bill 2000*. I support the second reading amendment moved by my colleague the shadow member for communications, the member for Perth, the honourable Stephen
Wednesday, 4 April 2001

Smith, and will get to his amendment later in my comments.

The purpose of the bill is to amend a number of acts including the Public Lending Right, or PLR, Act of 1985, the Telecommunications Act of 1997 and the Telecommunications (Consumer Protection and Service Standards) Act of 1999, and the Trade Practices Act of 1974. I will deal with each of those in turn. The public lending right was introduced in 1974 to ensure that creators and publishers receive payment for the loss of income that occurs when their books become available in public libraries. That previously operated administratively until the PLR Act formally commenced on 1 July 1987. This concept encourages rather than discourages creativity. However, in 1999 the PLR was evaluated by a committee appointed by the Department of Communications, Information Technology and the Arts and recommendations were made by the committee to make the scheme more clearly defined and articulated. The committee also believes a clear statement of objectives of the scheme was required and thus amends the PLR Act 1985 to insert an objects clause into the act.

According to the Bills Digest—and I acknowledge that part of my speech which picks up on some of those points that are identified in the analysis provided by the authors of that digest—these objectives are: to make payments to Australian creators and publishers on the basis that income is lost from the availability of their books for loan in public lending libraries; and to support Australian culture by encouraging the growth and development of Australian writing and publishing. I support this concept. Just yesterday a group of students from the Christian Brothers College, Burwood in my electorate of Lowe travelled to Canberra to visit Parliament House. One of the great joys of being a member of parliament I find is the opportunity to meet young Australians and provide them with a little bit of information about what happens here in the national capital and about the role of a federal member of parliament. Unfortunately the images that are projected through our television screens on the nightly news and other current affairs programs certainly do not present what I would call a very positive image of those of us who try our best. I know that all of us in many different ways work very hard to make this country a better one. Although we go about it in different ways I have got no doubt about the sincerity of all members of parliament on this.

When I get the opportunity to meet young students I impress on them that most of us work very well and in a spirit of cooperation in terms of what we are trying to achieve here. While we have some highly engaging and entertaining debates, as we are having here this morning, and at times they can get a bit heated, mercifully most of the time it is not personal. Unfortunately at times things get carried away in question time and of course the media are going to run something which is designed to excite or anger, even entertain and engage, the viewer or the listener later in the day when they get a report of what happened in parliament. That is all about the media trying to maintain their audience and of course more importantly maintain their advertising revenue to keep themselves going. We all know that.

I was privileged to meet the Christian Brothers College year 10 students yesterday. When they come to Parliament House I always take the opportunity, as I do in my electorate, to say something positive about the workings of this House on both sides of parliament. As well as providing them with information about parliament, each student receives a bookmark, which I like to give them. It lists all the public libraries in my electorate of Lowe. I always believe that it is very important for young students to read. If they are going to learn anything, they will learn it from reading; they will not learn it from sitting in front of a television set all the time. I have no objection to ensuring that the creative writers and publishers are adequately compensated in terms of this legislation. The PLR Act 1985 is also amended to clarify the process of making final payments in respect of those creators who have since died. The amendments to this act ensure that a payment is made to the legal personal rep-
representative of a deceased creator, reflecting a decision in 1996 to no longer pay directly to beneficiaries.

I turn to the amendments which will be made to the Telecommunications Act 1997. Under section 315 of the Telecommunications Act, a senior police officer may ask for a carriage service provider to suspend the supply of the carriage service under a particular situation, including when the officer has reasonable grounds to believe that an individual who has access to the service has inflicted upon someone a serious injury or, worse, has threatened to kill another person and the suspension of the service is required to prevent more threats. A subsection is inserted into the Telecommunications Act 1997 which reinforces that carriage service providers, their employees or agents are not legally responsible for any act or omissions done in good faith in compliance with such a request. Also, in the event of an emergency under state and Commonwealth disaster plans, the carriage service provider, their employees or agents have legal immunity for any act or omissions which occur in accordance with these disaster plans.

I now turn to the minor amendment made to a bill I remember speaking on when it was debated in the chamber in February this year—that is, the Telecommunications (Consumer Protection and Service Standards) Amendment Bill 1999. That amendment made by this bill merely changes a reference to the Australian company number, ACN, of the Telecommunications Industry Ombudsman to refer to an Australian business number, ABN.

In relation to the amendments made to the Trade Practices Act 1974—the TPA—these too are uncontroversial. Under part XIB of the TPA, carriage service providers are prohibited from engaging in anti-competitive conduct and the Australian Competition and Consumer Commission is able to issue a competition notice to notify the carrier or the carriage service provider that they are contravening the competition rule. If the carrier or carriage service provider does not cease the conduct, the ACCC is then able to obtain Federal Court orders for a variety of remedies and financial penalties. The amendments allow the ACCC to issue advisory notices at the same time as a competition notice to provide carriage service providers and carriers with information on how to change its conduct so it is no longer anti-competitive. I think this is a good thing and I support it. There are a number of other housekeeping amendments which are made to the TPA which I also support.

I support the amendment moved by the honourable member for Perth which states:

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 notes:

(a) the secrecy, confusion and uncertainty surrounding the Government’s legislation in relation to Communications and the Arts, including the preparation of secret amendments to this bill which would have the practical effect of deregulating essential Australia Post services to the detriment of rural and regional Australia; and

(b) the confusion and uncertainty in relation to the vital legislative framework concerning the Communications and the Arts portfolio caused by the Government’s refusal to give a commitment not to introduce legislation to deregulate Australia Post, not just for the remainder of this Parliament but for the next, thus indicating its clear intention to proceed with the deregulation of postal services as soon as possible”.

As the member for Perth said earlier this morning in this chamber, the speedy withdrawal of the Postal Services Legislation Amendment Bill 2000 has not signalled the end of the Howard government’s disgraceful determination to further deregulate Australia Post and eventually send Australia Post down the direction and path of Telstra—to completely privatise it. These secret amendments that the government intends to move in the Senate will, in accordance with national competition policy, increase competition for Australia Post’s reserved services and allow major international organisers such as Deutsche Post and TNT to provide full end-to-end mail services with no obliga-
tion to provide non-profitable services in rural and regional Australia. The cost of these secret amendments is estimated to be $200 million of revenue per year—an enormous amount of money—and this is on top of the $100 million a year that Australia Post has lost because of the GST. That is disgraceful.

I take this opportunity to say to those who rely on Australia Post services, particularly those in rural and regional areas such as the one you come from, Madam Deputy Speaker Kelly, that under a Beazley Labor government Australia Post will remain in public hands. Australia Post will continue to provide current postal retail and financial services, including giroPost and Internet bill paying services. Under a Beazley Labor government, Australia Post will have crucial responsibility to deliver services, including the emerging digital data service, principally to those in remote areas. I would also like to remind those people who rely on Australia Post that, if this government is re-elected later in the year, their services are going to be reduced. Not only this, the millions of dollars which potentially will be lost from Australia Post’s revenue will mean that Australia Post will be unable to afford the cross-subsidisation of services to rural and regional Australia, and that is dreadful.

These are not mere scare tactics by the Labor Party as members on the government side would have their constituents believe. Time and again the Howard government has proven its inability to distance itself from its ideology in favour of the Australian people. The privatisation of Telstra is one great example of how the Howard Liberal coalition government refused to act in the Australian public interest and only acted in the interests of its friends, the shareholders, the big end of town, who could afford to buy more shares. I call on this chamber to support the amendment moved by the member for Perth because it highlights the outrageous implications that the secret amendments to be moved in the Senate will have for postal services, particularly in rural and regional Australia.

I remember the government’s commitment to deregulate Australia Post in the 1998 election campaign. When this legislation we are debating this morning was introduced by the Howard government into the House early last year, the government quickly pulled the plug because of the public reaction and the disastrous consequences the legislation would have particularly on those in regional, rural and remote Australia. If the amendment moved by the member for Perth this morning is not embraced by the government, we will see $200 million cut from the bottom line and the people of Dunedoo, where I was born and bred, and the people of Dawson, Madam Deputy Speaker Kelly, whom you represent, will have the prospect of differential pricing of postal services. I regret that you have not participated in this debate, Madam Deputy Speaker, because I have followed your campaign in the media and in this House against your government’s wish to fully privatise Telstra, and I will certainly give you a plus for sticking up for the people of Dawson. You, more than most members of the government, really understand the importance of good communications to people who live in the bush. As I said, I regret that you have not participated in this debate, because I am sure you would be echoing some of the sentiments that I am echoing here this morning.

By allowing the deregulation of Australia Post, overseas companies will come into Australia and will cream off the market. They will be looking after the big smoke and, once again, will be dudding the bush. That is consistent with the utilitarian ethic mentality of the Howard government that I have spoken about on many occasions in a variety of speeches in this chamber over the past 2½ years that I have been here. It just seems to me that the government simply takes the view that its policy, and the associated legislation driving the government’s agenda, is all about looking after and rewarding the greatest number at the expense of the marginalised. The Prime Minister would call those people the battlers. As I have said on a previous occasion in this chamber, I think it is a truism that about the
only thing that the Prime Minister has done for the battlers is create more battlers. I say that sincerely, because ever since the finalisation of the GST legislation and what has flowed throughout Australia since the GST came into play—the slowing down of the economy; the onerous and expensive burden placed on small business proprietors to complete their BAS; the price of petrol, which you also know about, Madam Deputy Speaker, and have spoken out about, particularly as it impacts on the people in your electorate; the government’s determination to fully privatise Telstra, and I am so pleased you do not support that—there have been a lot of areas where the battlers were supposed to have been looked after by the government and have been duded. That is true of other areas such as nursing homes where, because of the indolence of the Minister for Aged Care, we also have a crisis.

The legislation before the House today is consistent with other legislation I put into that category of the utilitarian ethic mentality of a government that is not helping people in the bush. I have no doubt that the people in the bush are going to decide the next election when it is held on 17 November this year. I presume it is going to be held then. I first read that in the Australian last year in a very erudite article written by Dennis Shanahan, the chief political reporter. He seems to have a tremendous grapevine of intelligence that goes right into the Howard cabinet. Since Dennis Shanahan says that the federal election is going to be held on the 17 November, I am making my plans to get ready for the battle which will take place then, and the people in my electorate and your electorate, Madam Deputy Speaker, will make a decision whether they are going to stick with the government or elect a Beazley Labor government. I can imagine how the people in Dunedoo, where I was born and raised, are thinking about where the government have let them down, and in the area of communications they certainly have. (Time expired).

Mr SIDEBOTTOM (Braddon) (1.29 p.m.)—The Communications and the Arts Legislation Amendment Bill 2000 seeks to make administrative amendments and other consequential changes to the Public Lending Right Act 1985, the Telecommunications Act 1997, the Telecommunications (Consumer Protection and Service Standards) Act 1999 and the Trade Practices Act 1974. As foreseen by the Shadow Minister for Communications, the member for Perth, we are supportive of those amendments.

Mr SIDEBOTTOM (Braddon) (1.29 p.m.)—The Communications and the Arts Legislation Amendment Bill 2000 seeks to make administrative amendments and other consequential changes to the Public Lending Right Act 1985, the Telecommunications Act 1997, the Telecommunications (Consumer Protection and Service Standards) Act 1999 and the Trade Practices Act 1974. As foreshadowed by the Shadow Minister for Communications, the member for Perth, we are supportive of those amendments.

The Public Lending Right Act of 1985 supports and recognises some form of remuneration or payment to the creator of a work whose work may be offered in multiple copies and in a variety of ways, particularly through public libraries. It is a sensible and fair regulation. An evaluation done in 1999 suggested there should be a more clearly defined and articulate statement of the PLR scheme and that the objects in particular should be made more clear and explicit.
According to the proposed section 2A of the amendment, the objects are twofold: first, to make payments to Australian creators and publishers on the basis that income is lost from the availability of their books for loan in public lending libraries—quite rightfully; and also, I think very importantly, and it is often forgotten in relation to the Public Lending Right Act 1985 and the consequent amendments before us, to support Australian culture by encouraging the growth and development of Australian writing and publishing—something that everyone in this House would support, particularly in terms of writing and publishing. Having a very young family of my own, and boys in particular, I tried the old adage that ‘to succeed, you need to read’ to encourage them to read books and to enter the world of literature. I think this is a means to encourage our creators—heaven forbid, we should in every sense of the word encourage them—and also reward them. So, I applaud the movers of the amendment, particularly in terms of supporting Australian culture.

The Telecommunications Act 1997 provides senior police officers with the power to request a carried service provider to suspend the supply of the carried service in certain circumstances. I note, for instance, that would apply in circumstances that would threaten life, which of course makes sense. One would expect such regulations to exist. I notice that the amendments extend the immunity in certain emergency situations, again quite sensibly, and when required to comply with designated disaster plans. I note that this also incorporates immunity from damages. Again, it seems to me to be good policy and we would support that.

The amendments to the Consumer Protection and Services Standards Act 1999 carry out what appears on the surface to be a minor but sensible substitution of the Australian business number for an Australian company number for the Telecommunications Industry Ombudsman. Finally, the amendments to the Trade Practices Act 1974 enable the ACCC, amongst other things, to more immediately provide advice to telcos on remedial action that they could take to cease what may be any anticompetitive behaviours and practices.

Madam Deputy Speaker, I also lend my support to the amendment to the motion for the second reading moved by the shadow minister for communications:

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 notes:

(a) the secrecy, confusion and uncertainty surrounding the Government’s legislation in relation to Communications and the Arts, including the preparation of secret amendments to this bill which would have the practical effect of deregulating essential Australia Post services to the detriment of rural and regional Australia; and

(b) the confusion and uncertainty in relation to the vital legislative framework concerning the Communications and the Arts portfolio caused by the Government’s refusal to give a commitment not to introduce legislation to deregulate Australia Post, not just for the remainder of this Parliament but for the next, thus indicating its clear intention to proceed with the deregulation of postal services as soon as possible”.

The point behind this amendment moved by the shadow minister is that there were a series of secret amendments which would, in effect, deregulate aspects of the Australian Postal Corporation Act 1989. Those proposed amendments may have vanished, but the fact that they existed and were passed about—unfortunately not to the opposition—means that they are part of the agenda. They are relevant to this portfolio and to this discussion.

I think it is very important that the implications of those amendments are placed on the public record. It is not enough to say, ‘It is only hypothetical; it is not going to happen. Why are we discussing it?’ We are discussing it because there is sufficient evidence already provided by people on this side of the House and in the public domain to suggest that, once this government sets its heart on a particular policy, it will either see it through because of its blind ideological drive
or put it on the backburner after it has done a series of backflips and other sneaky little operations to get what it in the end desires. It reminds me a little bit of Circus Oz, which I saw the other night in Launceston as part of the excellent Ten Days on the Island festival in Tasmania. I could not help but think about the last few weeks in the federal parliament and the number of this government’s policy backflips and its use of smoke and mirrors. The secret amendments basically would have amended the Australian Postal Corporation Act 1989 to provide further exemptions to the reserve service by allowing member based private providers to carry and deliver standard letter mail directly to and from members. Likewise, the amendments sought to amend section 30 of the Australian Postal Corporation Act 1989 to allow exemptions from the reserve service for letters lodged by Australia Post under a bulk interconnection service.

I would like to draw the attention of the House to what we mean by reserve service. The reserve service’s provisions of the current act—that is, in the Australian Post Corporation Act 1989—provide financial restrictions on competition with Australia Post in the standard letter market. Size and weight define the standard letter market, the practical effect being that the 45c standard letter market is reserved to Australia Post. Competitors who seek to carry and deliver such mail must charge customers no less than four times the Australia Post price—that is, $1.80 per item. This market has been estimated by Australia Post to be worth $1.7 million or 47.9 per cent of Australia Post’s total revenue. The purpose of this reservation is to enable Australia Post to maintain its universal service obligation to provide the standard letter service to all Australians at uniform and affordable costs. The cost to Australia Post of providing this reserve service is $1.66 million per annum.

The proposed secret amendments—which no doubt we will see resurface if not before the election then certainly straight after it—would have deregulated some 40 per cent of the current reserve service under the 1989 act. By effectively deregulating the business to business mail market, the proposed amendments would open up 40 per cent of the current reserved services revenue to cream skimming. The current postal services will be undermined. The proposed amendments potentially jeopardise the funding of Australia’s reserved postal services, including the standard letter service and other vital postal services, especially those in unprofitable rural and regional Australia. The government’s current postal services charter provides no protection against this, as it is full of loopholes. Rural and regional postal users—that includes people who live in my electorate of Braddon and also, Madam Deputy Speaker, in your electorate of Dawson—will be threatened by these proposed amendments. The types of providers who will enter this market provide minimal if any services to regional postal users. In fact, the undermining of the reserve services revenue has the potential to force the introduction of differential pricing. This will mean that rural and regional postal users will be forced to pay the full cost recovery of their postal services—that is, in short, more than urban users.

All mail and parcel services currently, other than the 45c standard letter, are open to full competition. Over 52 per cent of Australia Post’s revenue is gained in this fully competitive section of the market. Private operators have no restrictions on entering this market, but the story that we have is that, effectively, Australia Post has a closed market in Australian postal services. That is not correct. Importantly, there has been little to no public support for legislation to deregulate Australian postal services. I am reminded that, on 27 March 2001 in the Senate, Senator Sue Mackay from my own state of Tasmania, who is shadow minister for regional services, territories and local government—and, might I add, doing a very good job in that shadow portfolio—tabled a petition in the Senate, signed by more than 43,000 Australian citizens. In fact, 43,603 Australian citizens petitioned the government opposing its plans—sneaky or otherwise—to deregulate Australia Post. That is, 43,603 petitioners went out of their way to
remind this government that they do not support the deregulation and—and of course we know what that means—the ultimate privatisation of Australia Post.

I would remind those opposite that my own seat of Braddon in north-west Tasmania in 1998 in fact pre-empted and mirrored what has happened recently in the electorate of Ryan, a Liberal Party seat in Queensland. The Liberal Party had held my seat for 25 years, but in October 1998, with a swing greater than 10 per cent, the electors of Braddon emphatically rejected the goods and services tax, certainly rejected the further privatisation of Telstra and quite clearly made it known that they wanted hands off Australia Post. I suggest to you that the slow burn that is the GST and that was reflected in the 10 per cent swing in Braddon in 1998 was reflected again in Ryan and, hopefully, will be reflected again soon when we go to the next election.

I would like to make it clear on the public record that the Australian Labor Party fully supports Australia Post and it remaining in public hands. I wish to refer to the media statement by the Leader of the Opposition, Mr Beazley, on Monday, 28 February 2000 when he said that Labor’s four key policy elements would be to ensure that Australia Post remains in public hands; that there would be no further deregulation of Australia’s postal industry—it would not occur; Australia Post would continue to provide current postal, retail and financial services, including giroPost and Internet bill paying services; and Australia Post would play a critical role as a platform for the delivery of services, including emerging digital data services, particularly to rural and regional Australia. Mr Beazley said that Labor’s plan recognised that Australia Post was a critical part of Australia’s national infrastructure and would ensure that Australians everywhere had access to a modern, reliable postal service.

I remind members opposite that Australia Post operates through approximately 4,500 outlets and that over 2,500 of these are located in rural and remote areas such as in my electorate of Braddon and in the Gippsland region and do an excellent job. The government said that no postal outlet would close in regional Australia. We have heard this many times before. But let us look at the facts. Australia Post has been forced to absorb the GST, a revenue loss, it has estimated, of something like $80 million to $100 million. Australia Post estimates that deregulation will mean a revenue loss of approximately $200 million. Australia Post profit in 1998-99 was $370 million, which left a grand total of around $80 million to spend on community services.

I will conclude by saying that the Australian Labor Party fully supports Australia Post. It fully supports its workers in their endeavours to guarantee that they will be able to work in an industry that provides nationwide services in an equitable and efficient manner. It also supports the Australian people in their endeavours to ensure that this important Australian iconic service continues in public ownership to provide those services into the future which they have grown accustomed to receiving in the past. Any sneaky, shonky little deals with smoke and mirrors, such as we saw in this proposed amendment which has gone missing in the middle of the night, only bear testimony to the fact that the Australian people need be on guard very carefully.

Mr McGAURAN (Gippsland—Minister for the Arts and the Centenary of Federation) (1.49 p.m.)—in reply—I should wish to thank government members for their constructive, informative and meaningful contribution to this debate. But, sadly, opposition members turned their contribution into a collective farce. There was not a single one amongst them who bothered to read the Communications and the Arts Legislation Amendment Bill 2000, let alone address themselves to its content. Instead, they tried to manufacture and conjure up once again some scare campaign on Australia Post and, in doing so, completely misrepresented and distorted the government’s position. In doing so, there were deliberate untruths told.
The simple fact is that the Labor Party, devoid and bereft of any semblance of a policy in this area of communications and Australian postal services, is left to resort to manufacturing deceptions. The Labor Party directed a number of completely false accusations at the government. How many times does the government have to restate, before it sinks in to the dullness and slow wittedness of opposition members, that we will retain Australia Post in full public ownership. We will ensure that the entire nation, especially rural and regional Australia, are provided with a standard letter at a uniform rate. We have frozen the standard letter rate at 45c until a minimum of the year 2003. We have ensured that 700 licensed post offices in regional Australia continue to receive subsidies to support their activities, which stands in stark contrast to the very large number of postal outlets, 277, that the Labor Party closed in its last six years of government. That is the Labor Party’s track record on Australia Post; that is its policy on Australia Post: close them down and do not open new ones.

In conjunction with these licensed post offices that we have established across Australia, we have also supplemented them with rural transaction centres, so that small communities reduced to very small numbers can enjoy the same services that metropolitan people take for granted. We have made sure that there is a concessional rate arrangement for the delivery of distance education material to isolated children and we introduced performance regulations three years ago to set minimum standards for the delivery of mail and the dispersal of street posting boxes and retail outlets.

The Labor Party are desperate—and why wouldn’t they be? The only thing that was consistent through the garbled and mangled contribution of their several members was a complete absence of knowledge of the bill before the House and of any coherent policy. But there was also one other common thread and that was the arrogance, the hubris and the overconfidence that is now pervading the Labor Party. In 1992, we thought we would win the next election, too, so I rejoice and delight in the arrogance of the Labor Party because, if they think they can go to the next election without a policy on Australia Post, communications and the arts, which are all covered in the amendments in the bill before the House, they are seriously and fatally underestimating the Australian people. I commend the bill to the House.

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

The House divided. [1.56 p.m.]

(Mr Speaker—Mr Neil Andrew)

| Ayes | 70 |
| Noes | 59 |
| Majority | 11 |

AYES
QUESTIONS WITHOUT NOTICE

Goods and Services Tax: Interest Rates

Mr CREAN (2.02 p.m.)—My question is to the Treasurer, and I refer to his attempts to take credit for today’s interest rate cut. Treasurer, I ask: have you seen comments from businessman Rodney Adler? He states: The fact of the matter is, as chief executive you take all the credit, and as chief executive you take the blame. Right now the economy ... is not travelling well, and therefore one has to look at the managers of the economy, and that is the government. So they must take the blame.

Treasurer, isn’t Mr Adler right? Since you always claim credit for the good, why don’t you ever accept blame for the bad? Hasn’t Mr Adler joined the chorus of people critical of your economic management? When are you going to admit the obvious? It is the GST.

Mr COSTELLO—I take it that the shadow Treasurer is now saying that the GST has led to interest rate cuts. He says, ‘When are you going to admit the obvious? It is the GST.’ The reason I find that humorous is that, throughout the course of last year, the Labor Party attacked GST on the grounds that it would cause interest rates to rise. The Labor Party says that the GST causes the sun to rise and, if it does not, it causes the sun to fall. Here is what Simon Crean said on 26 July 2000:

Higher inflation and rising interest rates are the handiwork of the Howard-Costello GST obsession.

So last year the GST was going to put interest rates up. Here is what Kim Beazley said on 2 August 2000:

These interest rate rises along with their predecessors have one set of vital origins—GST.

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These interest rate rises along with their predecessors have one set of vital origins—GST.

Today the opposition get up and say, ‘Will you now admit that the GST has caused interest rates to fall?’ They spent all of last year walking to the dispatch box saying, ‘Will you admit the GST has caused interest rates to rise?’ and they have spent all of this year walking to the dispatch box and saying, ‘Will you admit the GST has caused interest rates to fall?’ It is just an extraordinary position. The Labor Party have one mantra: if the
US economy goes into recession, it must be the Australian GST; if the Japanese economy is weak, it must be the GST; the foot-and-mouth outbreak in the UK must be caused by the GST. Was there an earthquake in Ecuador? That was the GST too. If it was not an earthquake, it must have been a flood.

What I do not understand is this: if GST slows an economy, presumably you would abolish GST in order to get a boost to the economy. If that is the effect, you would have a policy, would you not, of abolishing GST so that you would get a huge boost. But the opposition do not even take that position. This is a position where a group of people who have no economic ideas first come out and blame the GST for X and then say, ‘If it did not cause X, it caused the absolute opposite of X. But, in any event, we would like to keep the GST because the last thing we would want to do is actually get into office and do something responsible.’ And guess what? The worst spokesman on Treasury matters, the biggest opportunist, the least credible spokesman, is a former president of the ACTU.

Mr SPEAKER—Before I recognise the member for Parramatta, I did in fact fail to give the Prime Minister the opportunity to outline the ministerial arrangements as it coincided with the vote that was taken just into question time.

MINISTERIAL ARRANGEMENTS

Mr Howard (Bennelong—Prime Minister) (2.06 p.m.)—I inform the House that the Minister for Immigration and Multicultural Affairs and Minister for Reconciliation and Aboriginal and Torres Strait Islander Affairs will be absent from question time today. He is attending the full council meeting of the Northern Land Council at Lake Bennett in the Northern Territory. The Attorney-General will answer questions on his behalf in his absence.

QUESTIONS WITHOUT NOTICE

Interest Rates: Levels

Mr Ross Cameron (2.07 p.m.)—My question is also to the Treasurer. Will the Treasurer advise the House of the decision today by the Reserve Bank of Australia in relation to official interest rates? What are the benefits of today’s decision for Australian families and Australian businesses?

Mr Costello—I thank the honourable member for Parramatta for his question. I can inform the House that this morning the Reserve Bank of Australia cut the official interest rate by 0.5 of a per cent—by 50 basis points. The Australian banks are moving to pass that reduction in interest rates on to home loan borrowers. After you pass on that full 50 basis points cut to home loan borrowers, the standard variable mortgage interest rate should fall to around 6.8 per cent. For an average Australian family with a $100,000 mortgage, today’s interest rate cut will save them about $40 a month in interest costs.

If you look at the difference between the home mortgage interest rate today and the rate when this government was elected—10½ per cent—today the average Australian with a mortgage of $100,000 saves $300 per month in interest costs as a result of this government’s program. That is a full saving of $3,700 a year of after-tax money. The average family on the average mortgage saves $3,700 a year as a result of an interest rate which is now 6.8 per cent, rather than Labor’s 10½ per cent of five years ago.

I thought that both sides of the House would probably be interested to know how today’s benchmark 6.8 per cent interest rate compares with the Labor Party’s high of 17 per cent back around the beginning of the last decade—the 1990s. The saving on today’s mortgage interest rate of 6.8 per cent, as compared with Labor’s peak of 17 per cent, is $10,200 on a $100,000 mortgage. Today the average Australian is saving $10,200 a year just in their mortgage interest payments as compared with their payments under the interest rate regime which peaked under the Labor Party. That is after-tax money so, if you assume you are on a top marginal income tax rate, that is $20,000 of pre-tax income you are saving. It is the family’s second job. During the Labor period, of course, it was hard for a family to get its first job, but if they were able to get a second job...
the whole of the second job would have been eaten up in those high interest rates. In addition to that, the small business overdraft rate has come down. It should now be at a benchmark of 7.95 per cent compared with 11.25 per cent when this government was elected.

A low interest rate regime which is consistent with low inflation is good for home buyers and it is good for small business. For those home buyers who want to take advantage of these very low interest rates—they are now about 6.8 per cent—there is also the opportunity, if you are a first home buyer, to get a $14,000 grant for your home. There has never been a better time for young couples to buy their first home. We have a $14,000 grant and an interest rate of 6.8 per cent—an opportunity to keep the bills down, and that is good for home buyers and good for small business.

Goods and Services Tax: Hospitals

Ms MACKLIN (2.11 p.m.)—My question is to the Minister for Health and Aged Care. Minister, do you agree with the South Australian Minister for Health, Dean Brown, who says that the introduction of the GST has caused a major cash flow problem of $10 million for South Australia’s hospitals? How can you claim that health is GST free when your own Liberal colleague says South Australia’s hospitals have been hit with a $10 million GST bill? Will you now establish an inquiry into the impact of the GST on hospitals—as was recommended to you in October 1999 by independent arbiter Ian Castles?

Dr WOOLDRIDGE—There are not a lot of things that the health minister in South Australia and I would agree on, but there is a cash flow problem in South Australia and it is because the South Australian government ripped $20 million out of hospital funding.

Interest Rates: Levels

Mrs MAY (2.12 p.m.)—My question is addressed to the Minister for Financial Services and Regulation. Would the minister inform the House what today’s half a per cent cut in interest rates by the Reserve Bank means for the men and women in my electorate of McPherson who want to build a home for their family?

Mr HOCKEY—I would like to thank the member for McPherson for her very important question. As the Treasurer advised the House a little earlier, the Reserve Bank has today acted in the markets to cut interest rates by half of one per cent, which represents a saving for the average Australian home borrower of around $308 a month—$3,700 a year—in after-tax money as compared with when the Labor Party was last in government in 1996. Most banks have moved quickly to pass on the benefits. Westpac will deliver the full 0.5 per cent cut on mortgage and business loans in seven days. The Commonwealth Bank, ANZ and Wizard are also moving next week. Others are too slow, such as the National Australia Bank, which is taking 19 days to deliver the half a per cent cut. This is, of course, still much faster than the timing of the cut delivered under the Labor Party.

When there was an interest rate cut when the Labor Party was last in government, it took 51 days for the banks to pass that through to their customers. The average today is around seven days and it stretches out to 19 days. Mr Speaker, it goes one step further: today, the banking competition policy has delivered real results to consumers. As an example of that, today one mortgage originator announced a 30-year variable rate home loan of 5.64 per cent for loans of $100,000. Even with the application fee of $760, the rate announced today of 5.64 per cent is the lowest variable home loan rate ever in Australia. The benefits of competition are delivered directly to two million Australians who have a variable home loan rate ever in Australia. The benefits of competition are delivered directly to two million Australians who have a variable home loan rate. A further 35,000 new loans are approved every month. Home loan rate movements have a major and immediate impact in Australia, where 75 per cent of all home loans are at a variable rate. Therefore, variable rate movements flow through to consumers in Australia much faster than, say, in the United States, where around 80 per cent of all loans are fixed term—30-year fixed term rates.
Under the Labor Party in 1996, a couple with a $100,000 loan buying a home in, say, Robina in the electorate of McPherson would have been $308 a month worse off—and that is in after tax money. In Glenmore Park in the electorate of Lindsay, there is a development of 2,000 homes. The average home loan would be around $100,000 and those people in those 2,000 homes in Lindsay will be at least $308 a month better off under the coalition than under Labor. In Greenwood Estate in the electorate of Herbert, the average home loan is around $125,000 and consumers will be more than $300 a month better off under the coalition. At North Lakes in the electorate of Petrie, there are now 128 homes and, over the next 15 years, a further 8,000 homes will be built for 25,000 people. Those people are going to get the benefits of lower home rates. Mr Speaker, $308 a month delivers real benefits to Australians with home loans. Under the Labor Party they were $308 a month worse off, because of the Labor Party’s policies. If you can give anything to small businesses and families, where there is $28,000 a year of household income, an interest rate cut of $308 a month after tax would be a very real benefit, and it is delivered by the Howard government.

Innovation Package

Mr LEE (2.18 p.m.)—My question without notice is addressed to the Prime Minister. Why did the Prime Minister mislead the Australian public when he launched his innovation package on 29 January by completely ignoring the $130 million cost of abolishing the enrolment benchmark adjustment? Prime Minister, when exactly were you planning to tell the Australian people that the Commonwealth budget was $130 million worse off than you claimed?

Mr HOWARD—Mr Speaker, seeing as I launched that statement a couple of months ago—I think it was 29 January—I will have to go and look at the documentation. I do not, of course, accept for a moment the claim made by the shadow minister opposite that I have misled the Australian public, but I am glad the member for Dobell has allowed me to say something about the enrolment benchmark adjustment. If we are talking about misleading comments, the only misleading comments about the enrolment benchmark adjustment have come from the Australian Labor Party, and most particularly from the member for Dobell. The enrolment benchmark adjustment recognised that, if there were fewer children being educated in government schools, the cost of educating those children would fall.

The enrolment benchmark adjustment did not seek to transfer from government schools to independent schools. The claim made by the Australian Labor Party that the enrolment benchmark adjustment sought to shift money from government schools into independent schools is completely false, and you know it. You have misled, systematically, the government schools of Australia on this issue. That money was never transferred into independent schools. It represented a diminution of the payment made by the federal government to the state government because of the cost. Quite separately from that enrolment benchmark adjustment, the coalition has increased, at a faster rate than state governments, its contribution to financing public sector education in this country. It is very interesting that the member for Dobell comes from a seat in the state of New South Wales because, in the current financial year, the percentage increase in federal government spending on government schools in New South Wales has risen at a faster rate than state government spending on government schools in New South Wales.

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell!

Mr HOWARD—I am so pleased he has raised it—

Mr Lee interjecting—

Mr SPEAKER—The member for Dobell is deliberately defying the chair.

Mr HOWARD—This is despite the fact that the member for Dobell and the Leader of the Opposition both know that the primary responsibility for government schools is carried by state governments. They are state
government schools; they are not federal government schools. Something like 88 per cent of the cost of running state government schools is borne by state governments yet, despite their predominant financial responsibility, in both New South Wales and Queensland Labor governments have increased their spending on government schools at a slower rate than has the federal government. This is despite the fact that we, in effect, discharge—this has been historically the case under both Liberal and Labor governments—what is only a supplementary financial responsibility for government schools.

Let me say that the policy of this government is to boost and support the choice of parents in education. As somebody who has benefited from a very fine public education system in New South Wales, let me say very clearly that we remain strong supporters of public education in New South Wales and in all the other states. In relation to the enrolment benchmark adjustment, what we have said is that that money that would otherwise have been returned will not be returned if the state education systems agree to spend that money on additional science and maths teachers and on other things related to science and mathematics. That represents another injection of money by the federal government into government schools. It is about time that the Labor premiers of New South Wales and Queensland were shamed into putting a greater percentage of resources into the government schools for which they are primarily responsible.

Small Business: Interest Rates

Mr JULL (2.23 p.m.)—My question is directed to the Minister for Small Business. What benefits will flow specifically to small business as a result of today’s interest rate cut?

Mr IAN MACFARLANE—I take this opportunity to wish the Prime Minister happy anniversary—it is 30 years, which is certainly something worth noting. I would like to thank the member for Fadden for his question. I know he takes a keen interest in and regularly talks to small business in his electorate. Small business today received some welcome news—a 0.5 per cent cut in the interest rate. This comes on top of a 0.25 per cent cut in February and a 0.5 per cent cut in March.

Mr Fitzgibbon—What about their compliance costs?

Mr IAN MACFARLANE—the member for Hunter is interjecting. I will come to him in a minute. If we want to get these cuts into perspective, we need to compare current interest rates with those interest rates that existed under Labor. When we turfed them out in 1996, official interest rates were 11.25 per cent. Today, they stand at 7.95 per cent. I join with the—

Mr Horne—Jenny Craig.

Mr IAN MACFARLANE—Jenny Craig will do! I join with the Minister for Financial Services and Regulation in urging banks to pass on these cuts immediately to small business. For a small business with a $100,000 overdraft, a cut in interest rates—in comparison to Labor, from 11.25 per cent to 7.95 per cent—is a saving per annum of $3,300. As I said, the member for Hunter actually agrees. He said that the most effective way to help small business is to have low interest rates—and that is what this government is delivering. Why then was it the case when Labor was in power, with the world’s greatest Treasurer—the member for Higgins has a smile on his face—that when I was farming in the South Burnett, a struggling peanut and grain farmer, I was paying 22 per cent? Official interest rates at that stage were 20.5 per cent. If we compare that for a business with a loan of $100,000 paying the official interest rate of 20.5 per cent as against today’s rate of 7.95 per cent, small businesses in that situation are saving over $12,000 per year in interest: $1,000 a month, $250 a week is being saved by small business as a direct result of the good management of this economy by our government.

Goods and Services Tax: Small Business

Mr FITZGIBBON (2.27 p.m.)—My question is to the Minister for Small Business. Minister, have you seen an independent survey commissioned by the National Association of Retail Grocers of Australia which
found that, on average, small business grocers incurred more than $18,000 in GST start-up costs and more than $6,000 in ongoing compliance costs in order to collect and remit a mere $22,000 in GST in the first six months of your new tax system? Doesn’t this finding once again demonstrate that your GST is an inefficient tax and an overwhelming and unnecessary burden on small business?

Mr Pyne interjecting—

Mr SPEAKER—The member for Sturt!

Mr Pyne interjecting—

Mr SPEAKER—The member for Sturt is defying the chair!

Mr IAN MACFARLANE—I am aware of the report. In fact, I spent some time meeting with representatives from NARGA last night in what was a very worthwhile and fruitful discussion. What they said to me was that they were most fearful of one thing and that was roll-back. They said to me, ‘What we don’t want is roll-back. We do not want roll-back. It will complicate our business. It will mean wholesale changes. It will mean wave after wave of reform.’ NARGA said to me, ‘Whatever you do, don’t have roll-back.’

Foot-and-Mouth Disease

Mr SCHULTZ (2.30 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Will the Minister update the House on the foot-and-mouth disease outbreak in the United Kingdom and Europe? What measures are being implemented in East Timor to assist in protecting our region’s foot-and-mouth-free status?

Mr TRUSS—As of today, the number of confirmed cases of foot-and-mouth disease in the United Kingdom has reached 990 and there are now reports that that number will grow to around 4,000 within a couple of months. It is clear that the epidemic has not peaked as yet and that the problem is certainly pervading every aspect of life in the United Kingdom. Around a million animals have been identified for slaughter and about two-thirds of those have so far been slaughtered, but there are hundreds of thousands of carcasses that are yet to be disposed of.

There are particular concerns in the UK as to whether there is a sufficient number of vets to be able to manage this tragic situation, which of course is traumatic for all of the people involved. Australia is putting together a further contingent of vets to take the place of the group of 25 vets and stock inspectors who have been there since early in the outbreak.

At this stage, the outbreak seems to be confined in Europe. There are still only two confirmed cases in France and 11 in the Netherlands—although there are some reports this morning of some additional cases in the Netherlands. This outbreak is affecting all aspects of life in the UK. Not only has it cost them already an estimated £1.2 billion but it also affects travel and tourism; as well, local elections have been deferred and the six-nations rugby games have been postponed until next year. It is clearly a major disaster and one that the whole of the world is watching with a great deal of sympathy and concern.

At the local level, Australia remains vigilant. We have substantially increased our efforts at borders, both at airports and seaports. Around 23,000 additional passengers each week are being processed through red channels especially for FMD risk. Around 700 passengers each day are having footwear and other equipment scrubbed. That sometimes causes delay, particularly as happened in Sydney earlier this week when a whole football team arrived from France with dirty football boots, and in Adelaide when a cricket team arrived from the UK with a lot of cricket material that had not been cleaned. Those delays are, I think, being understood by the travelling public. We have been impressed by the number of people who have actually come forward and said, ‘I’ve been on a farm and please inspect my luggage.’ I think that positive approach is certainly helping Australia to address these sorts of issues. I would like to compliment the freight industry in Australia which is also enduring considerable delays. There is 100 per cent inspection these days of containers and that is costing the freight industry quite a deal.
We appreciate very much their consideration in that regard.

Last week, I reported to the House suggestions that there was foot-and-mouth disease in East Timor. I dispatched a senior Australian Quarantine and Inspection Service officer to discuss the situation with United Nations personnel in East Timor. I am pleased to report back to the House that Sergio Vieira de Mello, the special representative of the United Nations, has confirmed that there is no evidence to indicate the presence of foot-and-mouth disease in East Timor. That advice is certainly confirmed by our own veterinary officers in East Timor. We have also been concerned about reports that food products were coming into East Timor from countries which were not free of foot-and-mouth disease. I am delighted also to report to the House that the United Nations has acted promptly on Australia’s concerns. A directive has now been issued, banning all animal products of European origin and also all meat products, dairy products and other animal products from countries not specified as free of FMD. They will remain prohibited until further notice. I commend the United Nations on taking responsibility for maintaining East Timor’s foot-and-mouth-disease-free status. That is important also for Australia because it helps to maintain a buffer of foot-and-mouth-disease-free countries around our borders. This is a major issue on which Australian authorities are working hard and cooperatively together. I commend Quarantine and Customs staff, the workers at airports and seaports, and the people involved in the freight and shipping industries for their cooperation in meeting this challenge.

**Education: Funding for Government Schools**

Mr LEE (2.36 p.m.)—My question is addressed to the Prime Minister. How can the Prime Minister claim that he does not know about the $130 million error in his innovation statement documentation, including the misleading impact on fiscal balance table, when the Department of Education, Training and Youth Affairs gave an answer to the Senate estimates committee on Monday admitting to the $130 million error and claiming that it was ‘an oversight’? Prime Minister, are you trying to tell us that you were not told or have no recollection of an error which undermines the Commonwealth budget position by $130 million?

Mr HOWARD—It may come as a surprise to the member for Dobell, but I do not have an ear cocked every day at every hour to the proceedings of the Senate estimates committees. When I was asked—

*Opposition members interjecting—*

Mr SPEAKER—The Prime Minister has the call. The Prime Minister is responding to the question and will be heard in silence.

Mr HOWARD—When I was asked a question a moment ago by the member for Dobell, I said I would check the documentation. I intend to do that. I will do that. If he wants to ask me a series of other questions, he is welcome to do so.

There has been absolutely no attempt by this government to disguise the fact that we are providing additional resources to government schools. This is not only in New South Wales—although, because of the way in which the enrolment benchmark adjustment has been triggered, the greatest beneficiary of this policy of ours will happen to be the state of New South Wales, because it has been in the state of New South Wales where the numbers in government schools have diminished, perhaps due to the policies followed by the Carr-Aquilina government in relation to government education in that state.

Mr Lee—You have no idea, do you?

Mr SPEAKER—Member for Dobell!

Mr HOWARD—He is the education minister, Michael, in case you did not know. I will certainly be checking the documentation, but can I just take the opportunity of saying again that in relative terms—

Mr Lee—Don’t they tell you when the budget blows out?

Mr HOWARD—this government has been more generous to government schools—
Mr Lee—What sort of Prime Minister are you?

Mr SPEAKER—The member for Dobell is warned!

Mr HOWARD—not only in New South Wales but all around Australia. They have been the governments primarily responsible for government schools. I would say again to the member for Dobell: why don’t you talk to your factional friend the New South Wales Premier and remind him that, if he had increased spending on government schools by the same percentage as we have increased spending on government schools over the last 12 months, all of those government schools in electorates like yours—and great government schools like the Earlwood Public School and Canterbury Boys High School, both of which are in the electorate of the member for Watson—would have had even more resources? Instead of trying to lecture us about support for government schools, you ought to talk to the Labor government of New South Wales, the Labor government of Queensland, the Labor government of Victoria and the newly installed Labor government of Western Australia and remind them of their responsibilities to the schools they own and operate—the government schools of those states.

Danes, Mr Kerry and Mrs Kay

Mr GEORGIOU (2.39 p.m.)—My question is addressed to the Minister for Foreign Affairs. Would the minister update the House on the situation of two Australians, Kerry and Kay Danes, who have been detained in Laos since 23 December last year?

Mr DOWNER—I thank the honourable member for Kooyong for his question and particularly note his concern about the case of Kerry and Kay Danes. As the honourable member said in his question, Kerry and Kay Danes were arrested in Vientiane in Laos on 23 December last year. It is a matter of very deep concern to our government that those two Australians have been held in prison in Laos since 23 December without any charges being laid against them. We regard that as completely unacceptable. There have been rumours and public statements coming out of Laos about activities that the Danes may or may not have been involved in, but no charges whatsoever have been laid against them.

On two occasions, I have written to the Lao Deputy Prime Minister and Minister for Foreign Affairs, Mr Somsavat, expressing the Australian government’s concern, and many representations have been made by our embassy in Vientiane and by our ambassador there, Mr Thwaites, to the Lao government. But still no charges have been laid, and these two Australians remain in prison.

Last Friday, when I was in Santiago de Chile, I took the opportunity of meeting with the Lao Deputy Prime Minister, Mr Somsavat, and expressed the deep concern of the Australian government—and, frankly, I think the deep concern of the Australian people—at the way the Danes have been treated by the Lao authorities. I made it clear to the Lao Deputy Prime Minister that the Lao authorities should immediately either demonstrate persuasively a case against the Danes or let them go. The fact that they have not been able to assemble a case against the Danes to lay charges and subject them to full court proceedings is a matter of very grave concern to the Australian government.

The treatment of the Danes has implications for Australia’s relationship with Laos. I explained to the Lao Deputy Prime Minister in particular that Mrs Danes is the mother of three young children, that those three young children are now back in Brisbane with her parents, being looked after, and that they have, of course, no opportunity to be with their own mother. To hold the mother in a prison without any charges for over three months is quite wrong. It is quite wrong. We expect these people either to be subjected to charges, if the Laos think that they are guilty of some offence, or to be released, and to be released at once.

Through this period, the Australian Embassy in Vientiane, and the ambassador, Mr Thwaites, in particular, have done an outstanding job in providing consular assistance to Kerry and Kay. I congratulate the embassy on the excellent work that they have done.
Representatives

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Wednesday, 4 April 2001

The embassy made their 13th weekly consular visit last Thursday, and I am glad to say that, on that particular occasion, Mrs Danes was able to speak with her children, using an embassy mobile phone. That has also been possible on other occasions.

The Australian government is determined to ensure that justice is done by Kerry and Kay Danes. This has become a significant issue in our relationship with Laos. We expect Australians, whoever they are, when they are overseas, to be treated properly. As a government, we will always stand up for them when they get into difficulties. In this case, we will do all we can to ensure that the Danes are properly, honourably and justly dealt with.

Higher Education Funding

Mr BEAZLEY (2.43 p.m.)—My question is to the Prime Minister. Prime Minister, do you recall the plan you announced in your innovation package to provide loans worth $995 million to postgraduate students? Are you aware that your published costings for this measure make no allowance for bad debts? Are you also aware that a senior DETYA officer recently told the Senate estimates committee that a substantial proportion of the loans will never be repaid and that the current rate of default on HECS loans is 18 per cent? Isn’t it correct that, if 18 per cent of your new postgraduate loans are not repaid, it will cost the Commonwealth nearly $180 million? Why did your impact on fiscal balance table not include any mention at all of that cost, and when exactly were you planning to tell the Australian people that the budget was nearly $180 million worse off than you had claimed, in addition to being a further $130 million worse off from the previous measure?

Mr HOWARD—The Leader of the Opposition is talking about a budget being $180 million worse off, allegedly. That is a lot less than $10½ billion worse off. It is a lot less than the $85 billion of national debt that you racked up in the years that you were Minister for Finance. As to the question of the insertion of that figure in the costings that were provided, that figure was inserted on advice from the two departments. There was no attempt by the government to in any way mislead. On the question of whether there can be a projected level of bad debts, you know a lot about debt when it comes to budgets. The Leader of the Opposition has been the sort of finance minister expert at running up debt. Obviously, when these figures are inserted in the budget, they are inserted on official advice. That was the advice we received from the department of education. The costings were done by departments. They were not One Nation costings—

Opposition members interjecting—

Mr HOWARD—I am going back to the statement of 1992 that bore that name, where the costings were done in the then Prime Minister’s office. Who was the Deputy Prime Minister at that time? Unless I am mistaken, the Leader of the Opposition was the deputy—

Opposition members interjecting—

Mr HOWARD—Oh, he was only a senior minister then! I am blown out of the water by the fact that I got that wrong by one or two years and that Brian Howe was the Deputy Prime Minister. Was he finance minister?

Mr Costello—No, he was working on unemployment.

Mr HOWARD—Oh, that is when he got unemployment up to 11.2 per cent. I am sorry. Aren’t I absolutely shocking that I got that wrong! The reality is that these figures were inserted in the document on the advice of departments. Unlike the former government, we do not invent economic forecasts or budget figures in our ministerial offices. We rely on official advice, and the attempt by the Leader of the Opposition to suggest otherwise is quite puerile.

Trade Unions: Intimidation

Dr WASHER (2.47 p.m.)—My question is addressed to the Minister for Employment, Workplace Relations and Small Business. Would the minister inform the House about union intimidation in the building industry? How is freedom of association compromised? What plans does the government
have to protect workers’ rights, and do alternative policies exist in this regard?

Mr ABBOTT—I thank the member for Moore for his question and also for his support for the workers and businesses in his electorate, who are now enjoying the benefits of more interest rate cuts. On day one Labor governments take office, on day two, in many industries at least, the union heavies fan out through the workplaces, orchestrating campaigns of wildcat strikes and bullying and blackballing non-union members. On Perth radio yesterday, Premier Gallop repeatedly refused to condemn the erection of no ticket no start banners, which are now sprouting up like mushrooms on Perth building sites. The Premier was then confronted by an eyewitness’s account of a union act of intimidation who said:

The union heavy said, ‘You pay your dues. As far as we are concerned, it is now a compulsory no-ticket no-start, and unless people like you adhere to that, there is no place for you to work in this building industry.

All he could say when confronted by this was, ‘Has it been reported?’ even though the first thing the Gallop government did was to abolish the building industry task force which was investigating and stamping out rackets in the commercial construction industry. Why is Premier Gallop so weak in the face of this flagrant breach of freedom of association principles? I should point out to the House that last year the CFMEU, which is masterminding this antiworker campaign, donated $402,000 to the Labor Party. That is $402,000 worth of hush money to members opposite. That is $402,000 to buy the silence of the Labor Party when faced with union orchestrated rorts, rackets and rip-offs in the commercial construction industry. What is more, the CFMEU claims the specific allegiance of two members of the caucus, including a frontbencher who can be relied upon to ensure that the party toes the union line. In the light of the mayhem now enveloping Perth building sites, the Leader of the Opposition needs to state a position. He needs to take a stand. Is the Leader of the Opposition going to condemn the closed shop, or does he stand condemned himself as the friend of the bully, the thug and the standover man? And will the Leader of the Opposition reverse his policy to abolish the office of the Employment Advocate, which is all that stands between the decent, honest workers of this country and organised industrial intimidation?

HIH Insurance

Mr CREAN (2.51 p.m.)—My question is to the Minister for Financial Services and Regulation. Did APRA at any time advise or encourage the New South Wales Motor Accident Authority not to send an inspector in to HIH?

Mr HOCKEY—I cannot be more explicit than the advice I tabled in the House just two days ago from APRA.

Defence: Submarines

Mrs VALE (2.52 p.m.)—My question is addressed to the Minister for Defence. Minister, what is the government’s plan in respect of submarine acquisitions for the next 10 years? Is the minister aware of any other policies in this area?

Opposition members interjecting—

Mr Snowdon—Will we get another depth charge?

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

Mr REITH—I thank the member for Hughes for her question. It is a very timely question, a very good question, if I may say so, and it goes to a matter which has been the subject of a fair bit of discussion in the parliament in recent times. I am pleased to be able to say to the House that the government’s position on the Collins class submarines is clearly stated in the government’s white paper—in fact, on page 90—in respect of our determination to proceed to upgrade them. We are doing so even though the original cost announced was around $2.5 billion, it grew to $5 billion, and now we find that to fix up the submarines it is $1 billion on top of that. Of course, as most people in the House today would appreciate, the person as responsible as anybody else for the bungling of the Collins class submarines is none other than the Leader of the Opposi-
tion. I was very interested, therefore, to follow developments yesterday but in particular to read the *Sydney Morning Herald* this morning, because—

Dr Martin—Did you read the editorial?

Mr REITH—Yes, I read the editorial, but I am interested in what you say—not so much the editorial.

Dr Martin interjecting—

Mr REITH—We are indebted to the *Sydney Morning Herald*.

Mr SPEAKER—The member for Cunningham!

Mr REITH—We are indebted to the *Sydney Morning Herald*.

Mr SPEAKER—The member for Cunningham knows perfectly well that, if the chair gives instructions, they are to be heeded, not questioned.

Mr REITH—I look forward to the shadow spokesman’s question—that is fine—and he will want to say that we want to buy more than six submarines. The fact is that we are buying and upgrading the six submarines because that is all that the country can afford. We have a plan for 10 years which spells out a proper balance between the Army, Air Force and Navy. What we have had in the last three or four weeks is a bit of pressure on the opposition to tell the Australian public, honestly, what it is that they propose to do. That is why I was delighted that, after three or four weeks, finally the shadow minister confirmed the very point I have been making about Labor’s policy. Here it is in the *Sydney Morning Herald* this morning:

The Opposition yesterday left open the way open for a Labor government to commission more submarines if Australia’s strategic interests required them.

Furthermore:

The Opposition spokesman on defence, Dr Stephen Martin, said there could be additional submarines “down the track”.

That is the very point that I have been making about Labor’s policy. Here it is in the *Sydney Morning Herald* this morning:

*Opposition members interjecting—*

Mr REITH—Well, they had their policies from the web site yesterday, so I have got mine, and this one is dated 4 April 2001. So it is sitting there and it says that it is committed to the acquisition of two further subs. Furthermore, it says:

Recent developments have suggested the possibility of Australia acquiring a revised or type II version of the Collins for this purpose. Labor will therefore review progress on the development of a new type of Collins as a potential upgrade for the extra two submarines.

So they do not just have a plan for two additional submarines; they have got a new class of submarine—the Beazley class of submarines: Kim I and Kim II—at a cost of $1½ million or $2 billion. This is the plan. After three weeks, we finally extract it out of them. If they have a defence policy, why aren’t they proud of it? If that is their policy, why don’t they just state it instead of having the shadow minister talking to Michelle Grattan in the middle of the night.

*Honourable members interjecting—*

Mr SPEAKER—The House will come to order.

Mr REITH—The fact of the matter is—

Mr SPEAKER—Order! The rules applying to members of this House apply to everyone, Member for Cowan.

Mr Edwards—He is still firing blanks.

Mr SPEAKER—The member for Cowan!

Mr Martin Ferguson—Is that right periscope?

Mr SPEAKER—The member for Batman! The exchange was a good-natured one, but in fact the minister is entitled to be heard in silence and will.

Mr REITH—Just to conclude, the structure of Australia’s defence forces in the future is a serious issue.

Mr Cox interjecting—

Mr SPEAKER—The member for Kingston is warned!

Mr REITH—When the Labor Party were in last time, the fact is that they abolished a couple of battalions to pay for additional
capability. If you are going to have additional capability, you have to be able to be prepared to pay for it. Either you can come to general revenue for it or, alternatively, you can delay, defer or not proceed with already announced capability. That is the simple point that we want to make. We will continue to make it, because it is a question yet to be answered by the Labor Party. We think the Australian people and Defence deserves a better answer than we have had so far.

Health: AIDS Vaccine Consortium

Ms MACKLIN (2.59 p.m.)—My question is to the Minister for Health. Minister, do you recall announcing on 28 June last year that an Australian consortium had received a $27 million grant from the US National Institute of Health for the development of an AIDS vaccine? When did you find out that the US National Institute of Health had approved the grant, and who did you tell that news to before you made the public announcement on 28 June?

Dr WOOLDRIDGE—I have no recollection of those. I will find out and inform the House at a later date.

Wheat: Single Desk Selling

Mrs HULL (3.00 p.m.)—My question is addressed to the Minister for Agriculture, Fisheries and Forestry. Would the minister inform the House of the government’s response to the national competition review of Australia’s single desk arrangement for exporting wheat. What improvements will the government be seeking on aspects of the single desk, which has been of concern to grain growers in my electorate of Riverina and across Australia?

Mr TRUSS—I thank the member for Riverina for her question and acknowledge her keen interest, along with other members of the government, in the Australian grain industry, and particularly the marketing of wheat. This morning at Grains Week I announced the government’s response to the national competition review and that Australia’s single desk arrangements for exporting wheat would be retained. The national competition review has demonstrated that there are benefits to Australian grain growers, and indeed to the national economy, by maintaining this single desk. This government does not believe in competition just for competition’s sake; we want to see real benefits accruing to industry. In this instance, when you consider that Australian grain growers are endeavouring to sell their product on corrupt world markets against particularly grain growers in the United States and Europe where around half of their income is actually received from government subsidies, it is important that our industry have the capacity to collectively sell their product in these sorts of markets.

Whilst we will be retaining the single desk, we certainly want the Wheat Export Authority arrangements in relation to the issuing of permitting for niche markets to be improved and to become more seamless and to require less intervention. The Wheat Export Authority will work with the Australian Wheat Board to endeavour to put in place a more seamless system to encourage the development of those niche markets. In addition, the Wheat Export Authority will be required to develop transparent performance indicators to review the performance of the AWBL, which has the responsibility of delivering on the single desk policy of this government. That review will be transparent, and the indicators in place will be able to test how well the Australian Wheat Board is delivering in this regard. We will also not be deregulating the durum wheat industry, but the Wheat Board will work with durum growers to help deliver more flexible marketing arrangements.

This response has been well and truly welcomed by the grain growers of Australia. This is again another contrast between the coalition in government and Labor in government. This whole wheat debate about the future regulation has simply passed the Labor Party by. It was not until yesterday that the shadow spokesman actually came out with a paltry statement in which he said we should look at this, that and the other thing and also to suggest that Labor was committed to the single desk. It is rather interesting that Labor is committed to the single desk when it is in opposition, but when it comes
to government the story is altogether different. Premier Bracks was in favour of the single desk when he was in opposition, but now he is in government he is legislating, in spite of a 93 per cent of vote by barley growers to keep their single desk, to remove it. This is another classic example of Labor in government acting totally different from what Labor says in opposition.

Mr O’Connor—That was a Kennett government initiative. That was your policy.

Mr SPEAKER—The member for Corio!

Mr TRUSS—The reality is grain growers can expect nothing from Labor. It takes a coalition government to deliver the marketing arrangements—

Mr O’Connor—That was Kennett’s policy.

Mr SPEAKER—The member for Corio is defying the chair!

Mr TRUSS—necessary to support our industries.

Health: AIDS Vaccine Consortium

Mr KELVIN THOMSON (3.04 p.m.)—My question is to the Minister for Financial Services and Regulation. Minister, are you aware of the 50 per cent rise in the share price for Virax Holdings Ltd in the two weeks prior to the announcement that it would share in a $27 million grant from the US National Institute of Health as a member of the Australian AIDS vaccine consortium? Are you aware that Virax Holdings responded to a Stock Exchange query about its price movement saying that it had no knowledge of the outcome of the application for the grant and no knowledge of why its shares were increasing in price? Will you now establish a formal inquiry by the Australian Securities and Investments Commission to determine who had prior knowledge of the grant and where the leak came from?

Mr HOCKEY—If the member for Wills has any information about those sorts of allegations, he should refer them directly to the Australian Securities and Investments Commission.

Regional Forest Agreements: Victoria

FRAN BAILEY (3.06 p.m.)—I direct my question to the Minister for Forestry and Conservation. Would the minister advise the House of the accuracy of media coverage relating to the future supply of sawlogs to the Victorian sawmillers? What is the government’s response to this information and to the response of other involved or responsible parties?

Mr TUCKEY—The Herald Sun and the Age newspapers have recently run sensationalist stories regarding future sawlog availability in Victoria. The claims made have not been confirmed officially by the relevant Victorian minister. Were the claims to be correct, they would have no immediate effect because Victoria’s sawmillers have six-year remaining supply contracts with the Victorian government, consistent with the agreed volumes under five separate regional forest agreements, all of which of course were negotiated by the Howard government, notwithstanding the four years that the previous government, which invented the proposal, had to complete any. However, the Victorian government has decided to use these rumours to delay joint-funded FISAP payments of $2.4 million to Victorian sawmills while the minister investigates the rumours. On 9 February Victorian Minister Garbutt wrote to me as follows, and in part:

I am of the view that this would be sensible to review an appropriate balance between industry development and business exit components of VIC FISAP...

Put in other words, to provide a greater percentage of government money to close down sawmills and sack their workers. The government rejects these proposals in terms of both the resource supply and this orchestrated rumour campaign to allow the Victorian government to appease its activist constituency. The Howard government’s commitment of $18 million to business development in Victoria is rock solid. Business development automatically multiplies itself by a component of five when private investment is included. Business exit payments are mon-
eyes down the drain. Of course, they were the major component of Labor’s policy on this proposal, and I thank the Prime Minister for his agreement when we converted that money to keeping people in jobs. Business development grants are designed to allow sawmillers to do much more with less wood, with returns per cubic metres increasing threefold. These grants must be paid now to allow the industry to reorganise towards high value products.

The highest grant recommended in this program—and I do not think the local member knows—is within the electorate of McMillan. The electorate of McEwen is also a major beneficiary, as are the electorates of Gippsland and Ballarat. All those members have been on my back daily to deliver this money. But where has the member for McMillan been? He held a meeting; he had to organise a stop-work meeting to get a crowd. He had it at the Algie Hall, but did he get Minister Garbutt to come along, as I have gone along to all of these electorates to reassure people, at the ministerial level, of our government’s commitment to pay that money? Did the member for McMillan get the state minister along? No, he got the chief of staff. He was at pains to tell us in the Main Committee the other day that of course there was another great help present: the union was there.

Two of these major parties to receive this money, including that sawmill in the electorate of McMillan, had non-unionised work forces. I wonder why the state government of Victoria do not want to pay them the money. They have put up a smokescreen about something that is six years away—they do not want to pay. Why? Because they want to get into these people. We have the money waiting, and we call upon the Victorian government to put up their share and pay now. We suggest to the member for McMillan that he starts to look after these people, not call meetings to soften them up for losing their jobs.

Tasmania: Regional Solutions Program

Mr ADAMS (3.11 p.m.)—Thank you, Mr Speaker.

Mr Tuckey interjecting—
Mr Ross Cameron interjecting—
Mr ADAMS—My turn, Wilson.

Mr SPEAKER—The member for Lyons will resume his seat. The member for Lyons, the Minister for Forestry and Conservation and the member for Parramatta all know that their behaviour was not the behaviour that the standing orders provide for.

Mr ADAMS—My question is to the Deputy Prime Minister and Minister for Transport and Regional Services. Minister, can you confirm that 27 projects have been approved under your Regional Solutions program? Can you also confirm that, despite having an unemployment rate higher than other states, Tasmania has not received support for any projects? Minister, is this because there are no coalition seats in Tasmania—given that 23 of the 27 projects went to coalition seats? After dudding Tasmanians on Roads to Recovery—

Mr SPEAKER—The member for Lyons will rephrase that question.

Mr ADAMS—Minister, after dealing Tasmania a very poor hand on Roads to Recovery, haven’t you duded us all over again with this project?

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

Mr Crean interjecting—
Mr Tanner interjecting—
Mr Speaker, on a point of order: standing order 144 provides that questions should not contain argument. The member for Lyons’ question clearly did contain argument. I say in my point of order that section 144 is there so that question time is different from adjournment time and—

Mr Tanner—We don’t want to know what you think.
Mr SPEAKER—The member for Melbourne is warned! I have had quite enough of his interjection.

Mr Pyne—Section 144 is there so that question time is different from adjournment time and 90-second statements. The member for Lyons’s question is clearly trespassing on the territory of adjournment and 90-second statements.

Mr SPEAKER—The member for Sturt will resume his seat. The member for Lyons’s question did contain a great deal of argument and was phased in a way that was, at best, undesirable, as indicated by my intervention on at least one occasion. I will allow the question to stand, but I will not tolerate that sort of question in future.

Mr ANDERSON—I would suggest that the question in relation to this is not so much the way in which the honourable member framed the question but whether or not he can possibly be serious. The program to which he is referring is a flexible program put together out of the Regional Australia Summit and designed to recognise that one size does not fit all and that you cannot do it the way the ALP did it—impose solutions from Canberra, from on high—

Ms Hoare interjecting—

Mr SPEAKER—The member for Charlton is warned.

Mr ANDERSON—It has proved to be a very popular program. Last week, when we expected some 200 to 300 applications, we recorded our 761st. Of the applications that have come forward, some 60 have been approved. They go to what could only be described as a panel of highly reputable people, headed by Professor John Chudley. They are all assessed on their merits before they go to the ministerial council. The process accords with best practices and was checked off in consultation with the Auditor-General. The only thing I can say is I am sure that there are applications from Tasmania and that they will be assessed on their merits.

The next question that I would have to ask—rhetorically, of course—is: whose program is this? Did the ALP ever have a program of this sort? Was there ever one? Was there ever from the ALP a Networking the Nation program—under which, along with the social bonus out of Telstra, it could hardly be suggested that Tasmania has missed out? When it comes to the local roads program, that was done on the most impartial grounds of all. We could hardly be accused there of doing the wrong thing by anybody: it was the ALP’s formula by which money for the local roads program was distributed across the nation. Again, I simply pose—rhetorically, of course—the question: can he be serious?

Rural and Regional Australia: Regional Assistance Program

Mr NAIRN (3.17 p.m.)—My question is addressed to the Minister for Employment Services. Is the minister aware of a recent report about the operation of the Regional Assistance Program? Would the minister advise the House about the basis of this report? What is the significance of the Regional Assistance Program to local communities in my electorate of Eden-Monaro and throughout rural and regional Australia?

Mr BROUGH—I thank the member for Eden-Monaro, who obviously is very much aware of the government’s commitment to regional Australia, particularly in his electorate. I am aware of an article that appeared in the Sydney Morning Herald today written by Laura Tingle—an article which, I must say, is both inaccurate and offensive, to say the least, to the large number of Australians in regional communities who are working in partnership with the government to develop real projects that will develop real jobs and benefit the communities in which they live. There are, in fact, 56 area consultative communities spread throughout Australia, and these consist of around 300 active volunteers who work with their communities to generate projects that will make a real difference to the growth of their regions.

To point out how inaccurate this article was, in referring to a project in Queensland, in the electorate of the member for Forde, the article refers to whether or not the body looking for Regional Assistance Program
funding was incorporated. I can inform the journalist that it was the Beaudesert Equestrian Association Inc. Even such basic facts were incorrect, and inaccuracies were dotted throughout the article. The fact is that funds for RAP and Dairy RAP are not the same. They are both administered by my department—one, RAP funding, as part of the DEWRSB department and the other, Dairy RAP, on behalf of Minister Truss. Of course, Dairy RAP is different in that part of the funding can go to private enterprise. It can go to farms and the like on a 50:50 basis. The idea is to assist those organisations and communities which are suffering as a result of dairy deregulation—deregulation that, I might add, has occurred at state level—to create new work opportunities, and the Dairy Regional Assistance Program is aimed at doing just that. That was one of the projects that was funded under the application of the Beaudesert Equestrian Association Inc.

Ms Tingle also produces figures for the number of RAP projects approved in the year 1999-2000. These figures are wildly inaccurate. There were, in fact, a total of 439 projects—not 115, as reported—approved in that period, to a value of not $8.7 million but $25 million, which was injected into rural and regional Australia by the Howard government. Over 79 per cent of the projects were in rural and regional Australia. Unlike the statement in the article, 60 per cent went to coalition seats and 40 per cent went to Labor seats. When you consider the spread of seats that the coalition holds in rural and regional Australia, that is hardly surprising.

There are also allegations in relation to Mr Read, who was employed by the Canterbury-Bankstown committee of the Office of Labour Market Adjustment, or OLMA. This is a program of the former failed Labor government and it had very broad guidelines—and that is being generous. Mr Read was disturbed by the way in which he was put off by this committee. The fact is that he had a case before the Industrial Relations Commission that brought down in his favour the decision that he was owed $20,000. That is OLMA, a former figment of the Labor Party—

Mr Crean—Figment! Do you think we imagined it?

Mr Brough—Almost a figment of your imagination—that is probably right. They were so unjust in the way in which money was broadly handed out. The fact is that the federal Liberal government, the Howard government, has no responsibility at all for this gentleman’s $20,000 because he was employed under the Labor government’s OLMA committee and that is now a defunct committee. That is the advice that has been provided to me by the department.

The article goes on to refer to a very significant project in regional Australia put together by the Visy pulp and paper mill. This is an article which suggests that the money that has been provided by the federal government through RAP was in fact not properly distributed. There was $16.05 million of RAP money put into this project—a project that was supported by the Labor state government to the tune of $61 million in a total expenditure of $400 million. This is about real jobs. It created 260 direct jobs and there are estimates that there will be an additional 1,000 jobs generated in the local region and beyond over the next five to 10 years. The article is not only inaccurate; it is offensive to the many volunteers that put their hard time and effort into working with the government to promote regional and rural Australia throughout this country.

Mr McMullan—Mr Speaker, I ask the minister to table the document from which he so copiously quoted.

Mr Speaker—Was the minister quoting from confidential notes?

Mr Brough—Yes.

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

QUESTIONS TO MR SPEAKER
Questions without Notice: Points of Order

Mr Kelvin Thomson (3.23 p.m.)—Mr Speaker, on 8 February this year the Leader of the Opposition asked the Minister for Health and Aged Care whether he had a quid pro quo relationship with the pharma-
cuetical company Pfizer. The Leader of the Opposition was interrupted on a point of order by the member for Parramatta, who asked you to rule the question out of order. The Sydney Morning Herald of 2 October 1998 reports that the member for Parramatta received a campaign donation from the pharmaceutical company Pfizer of, in his own words, around $10,000. While I would be the last one to suggest that the taking of a point of order by the member for Parramatta was a unique occurrence—

Mr SPEAKER—The member for Wills indicated that he was seeking to ask this question of me.

Mr KELVIN THOMSON—I am, Mr Speaker, and I am coming to the point of it. I am aware of public concern generated in England over the so-called cash for questions affair—

Mr Reith—Mr Speaker, I raise a point of order. This is not a question; this is a political attack on a member of the House. There are forms for that. He should not be given any opportunity now to put any question to you. He has clearly abused the discretions which you have to exercise.

Mr SPEAKER—The Leader of the House makes a valid point. The member for Wills will come directly to his question or resume his seat.

Mr KELVIN THOMSON—I therefore ask, Mr Speaker, is there any obligation on members of parliament who are taking points of order which may be to the advantage of companies—

Mr Reith—Mr Speaker, on the point of order: this is a personal attack which is aimed at undermining the reputation of another member. It is clearly outside of the rules. He can call it a question, he can call it whatever he likes, but the standing orders require that if you want to undertake such an attack on another member then you are obliged to use the forms of the House. I put it to you, Mr Speaker, that he should not now be invited to continue his question. It is clearly an abuse of process, by any reasonable measure. I raised this point of order first with you. You accepted the point of order. You then generously allowed him to complete his question, and his question is an abuse of the standing orders. He should not be given the call at all.

Mr Beazley—On the point of order, Mr Speaker: you rightly asked the member to come exactly to his question, which is precisely what he is doing. He is asking you specifically about obligations on members of the House. He is asking it in general terms.

Mr Reith—On the point of order, Mr Speaker: you did invite him to come to his question, but I put it to you that in doing so you were not providing him with a licence to attack another member. It is quite clear that this question is merely a disguise to avoid the proper forms of the House, even on the words already issued.

Mr McMullan—On the point of order, Mr Speaker, and to assist you: having examined the question, I can assure you that there is no word in the question which refers to the name or seat of any member specifically in any way at all.

Mr Reith—On the further point of order—

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business is in no way assisting the chair.

Mr McMullan interjecting—

Mr SPEAKER—The Manager of Opposition Business continues to defy the chair although he is seeking from the chair a judgment.

Mr Reith—On the further point of order, Mr Speaker: I did hear the member in his preamble refer to another member of the House—

Mr McMullan interjecting—

Mr Reith—I do not know what your issue is.

Mr SPEAKER—The Leader of the House knows that he must direct his remarks through the chair.

Mr Reith—The standing orders require a substantive motion in this sort of case, and
Mr Speaker—I require the member for Wills to come directly to the question. I had been listening closely to the question and intended to require him to resume his seat if he said anything that I thought was in any way offensive. He knows precisely what I will expect him to do.

Mr Kelvin Thomson—Thank you, Mr Speaker. My question is: is there any obligation on members of parliament who are taking points of order which may be to the advantage of companies or organisations which have made donations to them to disclose such—

Mr Speaker—The member for Wills will come directly to the action he wants the chair to take or resume his seat.

Mr Kelvin Thomson—I am.

Mr Reith—Mr Speaker, I raise a point of order. This is a blatant and outrageous abuse of the forms of the House. It is quite clear, not just from the question but from the preamble to the question, that this is an attack on another member of the House.

Mr Bevis—that from a bloke who uses steel-capped shoes.

Mr Speaker—the member for Brisbane is warned!

Mr Reith—Mr Speaker, the question was preceded by various comments about another member. Any reasonable person listening to this so-called question would appreciate and see from it that it is an attempt to undermine the reputation of another member of the House. This is not a question of the usual sort about the administration of the chamber, which you sometimes get after question time; this is simply a disguised means of attacking another member. That is in breach of the standing orders. It is entirely within your discretion to require the member to resume his seat and not to proceed. Mr Speaker, I urge you, in the interests of the maintenance of the standing orders and fair play in this place, to not allow an abuse of the standing orders and the conventions of the House.

Mr Howard—Mr Speaker, on the point of order by the Leader of the House: the sequence of events, as I recall it, is that the member for Wills referred to a company that had previously been the subject of a question. That question was in the context of a claim regarding the disbursement of some money. He also referred to a statement by another member three years ago—maybe it was not three years ago; maybe it was two years ago, but the difference is immaterial to the point that I seek to make—allegedly acknowledging the receipt of money from a company. It is impossible for any reasonable man or woman to conclude other than that he was implying that the member he named in some way received money and was therefore in his campaign. He was not suggesting that the receipt itself was improper, but he was implying that, when the member made an interjection or a contribution to the House, it was improper not to have disclosed the receipt of that money.

I believe that it is legitimate for the member for Wills, if he has a complaint about the member, to bring that complaint before the parliament, but I do support the entreaty of the Leader of the House that the proper way of doing that is by way of a substantive motion. He could ask you generically whether there is an obligation, but in that generic question he should not include material clearly implicating an individual member. That is what is wrong with what he has done and that is why I very strongly support the intervention of the Leader of the House.

Mr Beazley—Mr Speaker, in support of your ruling and against the propositions being advanced by the Prime Minister and the Leader of the House, you heard the various suggestions entailed with regard to the behaviour of the member for Parramatta in the preamble to the question asked by the member for Wills. You did not at that point of time—though it was queried whether or not it was an appropriate forum for those issues to be raised—require the member to be seated. You asked the member to come to his question. Since then, the member has come to his question, which is almost complete, I
might say. In fact, I think it is complete, bar a few words.

That question which is being asked of you, Mr Speaker, cannot possibly be taken exception to. It is a question that asks you what provisions there are in the standing orders for declarations of interest, concern or whatever, prior to acting in this chamber. That is all. That is what is being asked of you. What is not mentioned in the course of the question which you have asked him to come to is the name of any member, any particular incident or any particular activity on the part of any individual member of the House. You quite reasonably required of the member for Wills to ask a question in that fashion and he is complying with your instructions to the letter. If there was a concern about the preamble to it, the position from you in the chair should have been—and we might well have taken issue with it, but it is not the position you adopted—to require him to sit down. Period. But that was not the case. You ruled absolutely correctly that what ought to happen at this stage is that the member should come to a question free of any of that, and that is precisely what he is doing. As a member of this chamber, he ought to be entitled to the protection of the chair while he does it—a protection which you have offered and which the Prime Minister and the Leader of the House are attempting to deprive another member of.

Mr Howard—I correctly said that what the member for Wills sought from you was advice as to whether there was any requirement on people to make disclosures. I have no quarrel with that question being directed to you. But if that was the purpose of the inquiry, why on earth did you have the preamble? Our objection, Mr Speaker, to the question being asked by the member for Wills is not that he should seek, in a generic way, guidance from you as to whether there was any requirement for disclosure. We do not object to that at all—and if it had been a bare request of that kind there would have been no objection from the government—but it went further than that. It contained an elaborate preamble which clearly sought to raise an imputation against a member. I would remind you, sir, of House of Representatives Practice, which states:

The practice of the House, based on that of the House of Commons ... is that Members can only direct a charge against other Members or reflect upon their character or conduct upon a substantive motion which admits of a distinct vote of the House.

Clearly what the member has done with the preamble is raise an imputation against my colleague. As an adjunct to that, he also seeks guidance from you on a generic matter. We have no objection in relation to the guidance on the generic matter. It is my respectful view, Mr Speaker, that he should not have been allowed to make the imputation against the member for Parramatta. The Leader of the Opposition acknowledges reference to the member for Parramatta in his last intervention. It was clearly an attempt to impute the behaviour of the member for Parramatta, and it should not have been allowed.

Mr McMullan—On the point of order, and in further support of your ruling, Mr Speaker: the reason this is arousing such passion on this side of the House is that a range of members on the front bench—the member for Dickson, the member for Wills and the member for Hotham—have in recent days and weeks themselves and through members of their families been the subject of attacks regularly by ministers, including about the taking of donations and the concern arising from political support, and not one word of concern has ever been raised by us or by you or by him. We are simply asking for fair treatment.

Mr Speaker—The Prime Minister is absolutely right. The question ought to be framed entirely in a generic way. My intervention in fact occurred only after the member for Wills had been more specific than was appropriate. I ask the member for Wills to withdraw the earlier part of the preamble to his question, and I will respond to the generic part of his question.

Mr Beazley—Withdraw? Was it unparliamentary?

Mr Speaker—I ask the member for Wills to withdraw it because—
Mr Bevis—Is Abbott going to withdraw his comments—

Mr SPEAKER—The member for Brisbane! If I may be permitted to finish, all I am requiring the member for Wills to do is withdraw any imputation, which is in fact out of order, so that the question may be answered in a generic way.

Mr KELVIN THOMSON—I am happy to withdraw any imputations to which you or others may take exception. The point of the background was simply so you could understand why I was asking. My question is: is there any obligation on members of parliament to disclose potential conflicts of interest at the time of taking points of order and, if there is not such an obligation, should there be such an obligation?

Mr SPEAKER—I will respond to the member for Wills’ question.

QUESTIONS TO MR SPEAKER

Health: AIDS Vaccine Consortium

Dr WOOLDRIDGE (Casey—Minister for Health and Aged Care) (3.40 p.m.)—Mr Speaker, I seek the indulgence of the chair to add to an answer.

Mr SPEAKER—Does the member for Burke have a point of order?

Mr O’Keefe—I had a question of you, Mr Speaker, but I thought you were going to answer the question from the member for Wills.

Mr SPEAKER—I do not believe this matter ought to be responded to on the run. In fact, I think it requires that I go away and take a look at the issue. If I gave the impression that I was going to respond immediately, that was not the attention. I have recognised the minister, and will come to the member for Burke in a moment. I thought the member for Burke had a point of order; that is why I interrupted the minister. The minister may proceed.

Dr WOOLDRIDGE—I was asked a question earlier in question time by the member for Jagajaga about a release on 28 June. As best I can find out, I found out about this on the morning of the release, given that it had been announced overnight out of the National Institute of Health in Washington. The announcement had, in fact, involved several months of the negotiation. This had involved the CSIRO, the ANU, the University of Melbourne, the University of Newcastle, the Australian Federation of AIDS Organisations, the National Centre for HIV Social Research, the University of New South Wales and Virax Holdings. There were probably more than 50 Australians involved in that negotiation. Neither I nor anyone from my office was amongst those 50.

QUESTIONS TO MR SPEAKER

Health: Deep Vein Thrombosis

Mr O’KEEFE (3.41 p.m.)—Mr Speaker, on 8 January of this year, I wrote to you drawing to your attention a report about the House of Lords Science and Technology Committee study into the relationship between flying and an increased incidence of DVT. I suggested a number of actions in that letter. I received a reply from your senior adviser indicating that this matter would probably be placed on a meeting agenda for discussion between the Presiding Officers. I have not heard any more at this point, so I am wondering whether you are in a position to give me any advice as to where it has gone from your end.

Mr SPEAKER—the member for Burke has been very involved in this issue, and I respect that. The matter was discussed between the Presiding Officers. It would be my intention to go back to the record of the Presiding Officers’ meeting and report to him or to the House as appropriate before the House rises tomorrow. The matter has been dealt with; I simply do not want to do it an injustice by not giving you a comprehensive briefing of the decision that was reached by the Presiding Officers.

Centenary of Federation: Sittings in Melbourne

Mr McMULLAN (3.43 p.m.)—I have a question to you, Mr Speaker. It relates to the centenary sittings in Melbourne. Given that the House has not had a role in determining the proceedings of the Melbourne sittings, are you planning on informing the House of
the details of those proceedings? I am advised that the President of the Senate has indicated an intention to make a statement to the Senate on this matter today, outlining the proceedings and details. I wonder what plans you have to inform the members of the House of the proposed arrangements and proceedings.

Mr SPEAKER—As most members, I hope, are aware, this has been a matter of negotiation between the Victorian parliament, the Presiding Officers and the Centenary of Federation committee, for want of a better word. I had thought that most members had been informed of the program. If that is not the case, I will report to the House at an appropriate time—and it may be that an appropriate time is close to question time tomorrow when there is a large gathering of members present. I am happy to follow that through. I understood, in a conversation with the President, that most members had been emailed on this. If that is not the case, I will certainly respond in more detail.

Questions without Notice: Points of Order

Mr LEO McLEAY (3.44 p.m.)—Mr Speaker, when you are giving consideration to the matter raised by the member for Wills, will you also give consideration to whether you would refer the principles raised by the member for Wills to the Standing Committee on Procedure for a report on the basis that it might be something that the Procedure Committee could look at to provide guidelines to the House?

Mr SPEAKER—It is of course something I will consider. There are a couple of other matters I am considering raising with the Procedure Committee and I will consider whether they should all be raised as a trinity.

PERSONAL EXPLANATIONS

Mr ZAHRA (McMillan) (3.45 p.m.)—Mr Speaker, I wish to make a personal explanation.

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

Mr ZAHRA—Horrendously, again, Mr Speaker.

Mr SPEAKER—Please proceed.
can to be even-handed in the way they up-
hold the standing orders. There is no ques-
tion that the member for McMillan used a
procedure in the House in a most inappropri-
ate way.

Opposition members interjecting—

Mr SPEAKER—I am on my feet! The
Chief Opposition Whip is as well aware as
the member for Cunningham and I that that
was not a way in which personal explana-
tions should be used. The Leader of the Op-
position raises the question about the be-
haviour of the Minister for Forestry and
Conservation.

Mr Fitzgibbon interjecting—

Mr SPEAKER—I am on my feet and in
no mood to be trifled with, Member for
Hunter. As the Leader of the Opposition is
well aware, I will not tolerate from any
member of the frontbench language that I
will not tolerate from any other member in
the parliament. I can genuinely indicate to
the Leader of the Opposition that, if the
Minister for Forestry and Conservation in the
last five minutes has used inappropriate
words, I did not hear them. However, in re-
sponse to the question, I did not hear him say
anything that would have required me to ask
him to withdraw and, had he done so, I
would have required him to withdraw, as the
record of my office in this post would rein-
force. If, however, in the last five minutes he
did so, I simply did not hear it. I do not use
that as an excuse. I was, as the House would
be aware, engaged in a conversation with the
member for McMillan.

Mr Tuckey—Mr Speaker, I wish to with-
draw the statement I made.

Mr Leo McLeay interjecting—

Mr SPEAKER—I thank the minister. The
Chief Opposition Whip is warned. The
Minister for Forestry and Conservation has
just facilitated the chamber and the sorts of
interjections I have had were most inappro-
priate.

PAPERS

Mr REITH (Flinders—Leader of the
House)—Papers are tabled in accordance
with the list circulated to honourable mem-
bers earlier today. Full details of the papers
will be recorded in the Votes and Proceed-
ings and Hansard.

Motion (by Mr Reith) proposed:

That the House take note of the following pa-
per:

Department of Communications, Information
Technology and the Arts—Report of the Aus-
tralian Communications Authority to the Minister
for Communications, Information Technology
and the Arts—Principles for Determining the
Amount of Datacasting Charge—clause 53 of
schedule 4 of the Broadcasting Services Act

Debate (on motion by Mr McMullan)
adjourned

Mr SPEAKER—I inform advisers that
any conversation across the benches is out of
order.

MATTERS OF PUBLIC IMPORTANCE

Goods and Services Tax: Economic
Impact

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

The failure of the government to recognise the
serious impact of the GST on the Australian
economy.

I call upon those members who approve of
the proposed discussion to rise in their
places.

More than the number of members re-
quired by the standing orders having risen in
their places—

Mr CREAN (Hotham) (3.52 p.m.)—On
the day that the government has done another
backflip, this time on beer, the Reserve Bank
has had to bail it out of the economic mess
that it has got itself into. The Treasurer—
who is still not in this House to defend his
economic record—still has not got it. It’s the
GST, stupid! Today’s decision is good news
for Australian families and small businesses
but it confirms that the GST has king hit the
Australian economy. Mugging the economy
with a GST is one hell of a way to get an
interest rate cut. While the Reserve Bank is
on bucket duty, furiously bailing out, we have the Treasurer and the Prime Minister continuing to be in denial. Today at the Treasurer’s press conference, he said that this news today was unambiguously good for Australia. He did not say it once; he said it at least four times. People in denial often repeat their delusion, and we had the Treasurer out there today repeating his delusion. His statement over and over again is that this is unambiguously good.

Let us go through the impact of this government’s economic management. Just look at the construction sector to begin with. The national accounts show that in its first six months the GST led to the largest ever quarterly decline in investment in housing since 1959. I hold up this graph to re-emphasise this point. This government goes around saying that the housing slump at the moment is no greater than normal and that it is off the back of the spike that occurred before the GST. It is true that there was a spike in terms of housing activity before the GST. Everyone wanted to get in to avoid it, but look at the slump. It is almost off the chart. It is the biggest slump ever recorded in the history of this country, and the Treasurer goes around talking about the fact that he has the lowest interest rates since man first walked on the moon. He has produced the biggest housing slump since the Russians sent little lemon into space, and he tries to pretend that this is some ordinary event. That is the construction sector.

Let me go further on building approvals—the lowest ever monthly level of building approvals in the series history since 1983. Building approvals are now down a record 43½ per cent in the year. Since the GST, annual growth in employment has more than halved and the unemployment rate has gone up. Total full-time jobs have fallen by over 8,000. The ANZ job ad series has turned down since the GST was introduced and it shows that the job ads are now 27 per cent lower than a year ago. Then we move to inflation. The September quarter, the first quarter of the GST, was the largest quarterly increase—3.7 per cent—since John Howard was last Treasurer and with annual inflation it is the highest in 10 years. Domestic final demand, which has been the only thing really holding up growth in this economy, fell for the second consecutive quarter and that is the first time that that has happened in 10 years.

What are the pointers to future growth in the economy? Since the GST was introduced, the Westpac-Melbourne Institute leading indicator of growth has turned negative and is now well below its long-term trend. The Westpac-Melbourne Institute index of consumer sentiment fell 15.4 per cent, the largest ever monthly decline in the 25-year history of the series. The biggest indictment is what business has done in terms of investment plans. Private new capital expenditure fell 5.2 per cent, with plant and equipment falling 3.6 per cent. Total business investment in the last three years has now fallen to minus five per cent, compared with plus 15 per cent in Labor’s last three years.

What do the business surveys show? The cheer squad for the GST, the ACCI business confidence survey, shows that confidence is deteriorating, with five consecutive quarterly declines. The NAB survey points to falling business confidence and conditions. Dun and Bradstreet warned of profit squeeze and falls in profit expectations. The St George-Chamber of Commerce indicator is now at the lowest level in the history of the survey. And then, of course, today we had Rodney Adler on radio program AM. He said:
The coalition has now been in power for the last six years, and therefore although one doesn’t want to criticise anyone in particular because one gets into trouble ... as chief executive you take all the credit, and as chief executive you take the blame. ... the economy ... is not travelling well ... look at the managers ... that is the government. ... they must take the blame.

He goes on:
I just don’t believe they’ve concentrated on those problems.

And further:
Right now the coalition does not seem to be concentrating.

Privately a lot of people share my views. The big end of town is still doing moderately well in
Australia today. It’s the small business sector that concerns me the most. ... Ignoring that sector is always at anyone’s peril.

The interviewer finishes by asking:
So your comments are that the Federal Government is out of touch?

Rodney Adler replies:
You could define it that way.

Here is a Treasurer who goes out and tries to tell the nation that the decision today is unambiguously good. What does that record of mismanagement under his watch demonstrate? And why isn’t he in here today defending it? He gets up and struts himself at question time, he taunts state treasurers when they come to a meeting about the GST—but he will not take any blame for it. He wants to claim credit for interest rate falls but he wants to claim no credit when the dollar collapses. He wants to accuse others for talking the economy down. The truth of the matter is that this Treasurer has driven the economy down but he accuses us of talking it down. The Reserve Bank’s statement today talked of the unprecedented and unexpected housing downturn and the negative impacts through other sectors of the economy because of it. That is all due to the GST, as that graph shows. This is the government’s own work and it is only a Treasurer in denial that would go out and argue that this is unambiguously good. We have the Treasurer out there with his own peculiar brand of economics—Costellonomics. He claims that record export growth exists while at the same time says that the global slowdown has slowed the economy in the December quarter. He cannot have it both ways. He cannot pretend that the slowdown is impacting here when claiming credit for a boom in exports, yet that is what the dope has been doing all around the country. This is another indication of a Treasurer in denial.

Mr Hockey—Mr Deputy Speaker, I raise a point of order. If he wants to say that about a member of parliament, there is a different forum to do that. I ask him to withdraw.

Mr DEPUTY SPEAKER (Mr Nehl)—I am not quite certain of what the deputy leader said but it raised my antenna. If the deputy leader did say anything that should be withdrawn, I would be grateful if he would.

Mr CREAN—I did not say anything that should be withdrawn. The truth is that this is a Treasurer in denial. That is the whole point. He goes out there trying to say one thing to suit one argument and another thing to suit another argument, and he has been caught out. I will continue to criticise him and, if he is not prepared to come into this House and defend himself, let him cop it. But do not send this person in to try and cover up for him. He has already copped a bucketing himself for going overseas and talking the economy down. Let him just be quiet for a moment and listen to this criticism of his government’s record.

I have likened the Treasurer to the Baldrick of Australian politics—the person who always has the cunning plan. He has been at it again in terms of the economy. It was very interesting that I pulled out a transcript of the last episode of the Blackadder series appropriately called ‘Goodbye’. It has the cunning plan. Baldrick, in the Prime Minister’s office, is saying:

Baldrick: I have a plan, sir.
Edmund: Really, Baldrick? A cunning and subtle one?
Baldrick: Yes, sir.
Edmund: As cunning as a fox who’s just been appointed Professor of Cunning at Oxford University?

Baldrick: Yes, sir.

Edmund: Well, I’m afraid it’ll have to wait—

... I’m sure it was better than my plan to get out of this by pretending to be mad. I mean, who would have noticed another madman round here?

And well he might say that in terms of the government’s position. But here was the Treasurer’s cunning plan: ‘Prime Minister, let’s introduce a new tax. Tell everyone that they’ll be better off, but actually it will mug the economy so that the Reserve Bank will have to reduce interest rates to stimulate it. Then I’ll blame overseas factors for the downturn at the same time as I claim that we have record exports. But, if that plan fails, Prime Minister, I’ll run the economy down but will blame Labor for talking it down. And, if that plan fails, then I will give an exclusive to Dennis Shanahan about my leadership intentions just to throw them completely off the track.’ Now what sort of a madman would actually go out in the middle of the economic circumstances that this nation is facing, with backflip after backflip by the government trying to get traction, and actually talk about his leadership intentions? But the Treasurer did. What did the Treasurer say? He said that he did not want the Prime Minister’s job but he wanted the Leader of the Opposition’s job. Well, let him have it. We are happy to hand him that position now, but we have a guy who wants to have the Prime Minister’s job and he is sitting right there. The way that you are going in terms of the deceit and mismanagement of the economy, he will have that job.

The truth of the matter is that this is a government that has covered up; it has deceived and it has been caught out. Having given the exclusive to Dennis Shanahan about my leadership intentions just to throw them completely off the track. That was the Treasurer’s cunning plan: part three by our Baldrick.

This is a Treasurer without credibility and, when you have a Treasurer without credibility, that is what affects business and consumer confidence. This Treasurer is lacking credibility in spades, and so he should be. This is a Treasurer that has been caught out so much on the GST that he is still in denial about it. Not one thing that the government have argued in relation to the GST has been borne out. It is not better for the economy, as those figures that I demonstrated show. It is not simpler for business, as the confusion and the mounting red tape show. Australians do not consider themselves better off under it. It has not lifted the Australian dollar as was claimed. It has not created jobs as was claimed. It has dudged pensioners, it has dudged motorists and it has dudged beer drinkers. We are in the process of rolling it back and we have the beer roll-back as another instalment of it. (Time expired)

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (4.07 p.m.)—On 17 March this year, I was at a St Patrick’s Day function. The Premier of New South Wales, Bob Carr, was there. He leant over to me and said, ‘Listen, Joe, I want you to know that you will never hear me talking down the Australian economy.’ That was the Labor Premier of New South Wales. He said, ‘You will never hear me talking down the Australian economy.’ He said, ‘We’ve got a
mutual interest here. We want the Australian economy to be strong; we want the New South Wales economy to be strong. Any attempts to talk it down are not going to help business confidence.’

From my recollection, I then suggested to the Labor Premier in New South Wales that he should say that to the audience of about 600 people, and he did. He got up on the stage and he said in front of 600 people—and it was, after all, St Patrick’s Day, so it was not all the suits from the big end of town; these were the people that are out there trying to make a quid in small business and medium sized businesses—‘You will not hear me nor my Treasurer, Michael Egan, talk down the Australian economy.’ He received a huge, spontaneous ovation from the crowd. Out there where people are trying to make a buck, confidence matters. Consumer confidence really does matter. Everyone should be working hard to try to improve consumer confidence, to encourage consumers, within appropriate means, to spend. The disappointing thing is that there is only one group that is talking down the Australian economy. There is only one section of Australia that is really interested in making things tougher for the average Australian. That is the Australian Labor Party. And it is only the Australian Labor Party here in federal parliament.

As a local member, I have visited some shops in Lane Cove West. As a local member, I chatted to people about some of the issues they were facing. They reflected on the fact that the interest rate increases had hurt their businesses. There was a takeaway food shop, a curtain shop, a butcher’s shop and a number of other shops. They said the most damaging thing for their businesses was the statements by the Labor Party that we are heading towards a recession. That was what was hurting. Automatically, it had an impact on the psyche of people who would normally go into their shops.

The fact is that the Labor Party have proven themselves to be opportunistic when it comes to these sorts of issues. Let us look back over their statements—not five years ago or 15 years ago but more recently. On 5 April 2000, the Leader of the Opposition was reported as saying:

There are three reasons why interest rates are going up—G-S-T.

That was the Leader of the Opposition on 5 April 2000. At a later time, we had the Leader of the Opposition say at a doorstop interview on 15 March this year:

I’ve now shifted my position to: I hope there won’t be a recession. That’s my position now. Far from talking down the economy, I’ve been trying to help as far as Opposition Leaders can.

He is actually saying he is trying to help us by talking about a recession. We remember the Labor Party when it was last in government. The former member for Blaxland, Paul Keating, said as Treasurer of the country that he had the Reserve Bank in his back pocket and that ‘this is the recession we had to have’. He was talking about us becoming a banana republic. He spoke of the recession we had to have. Paul Keating was actually driving the Australian economy deliberately towards recession. Why would that be? It might be related to this fact. Have a cursory glance at all the members of the Labor Party in this place and find out how many of them have been involved in business, how many of them have actually relied on consumer confidence for the crust that they earn at the end of the week. How many of them have actually relied on their sales over the counter to deliver them and their families a stable salary? There is absolute silence from the Labor Party. What a surprise! If you look at where Labor Party members come from, inevitably they have either come from the Public Service—not that there is anything wrong with that—or been working for a union. I will be generous here and say that may be appropriate; but how many have actually relied on consumer confidence for their daily bread?

Let us have a look at the statement from the Reserve Bank today. It is amazing how the member for Hotham comes into this place and carefully quotes a particular word or words from the statement from the Reserve Bank. I am going to table the statement from the Reserve Bank. I think it should be
on the record. As it is already on the record, let us put it on the record in Hansard. The statement says:

The Board remains firmly of the view that the economy’s medium-term growth prospects are very good, but recognises that two risks to short-term growth exist. The first comes from the weaker world economy. Against this, the exchange rate gives a major competitive edge to the traded sector. The second risk is that, notwithstanding strong medium-term prospects for growth, confidence could weaken in such a way as to further dampen domestic demand in the short term. The Board views it as prudent for monetary policy to help support domestic demand under such circumstances. Today’s action, together with the earlier reductions in interest rates, is directed to that end.

The board of the Reserve Bank is saying that there are two things that can affect the strength of the Australian economy. One is obviously what is happening offshore. If there are any doubts about that, think about the amount of money that has been lost to the United States in the last few weeks and months and look at the Dow and the Nasdaq. That will start to give you a sample of the amount of money that has gone to the United States. That is the world’s biggest economy. Japan, the second biggest economy in the world, is itself obviously struggling. So that has an impact, and the Reserve Bank recognises that. The second issue is confidence. Confidence matters. Why does confidence matter? Because it has a deliberate effect on consumer spending. Any economist worth their salt will tell you—and even I would admit that sometimes economists are reduced to cutting open an old goose and pulling out the entrails to try to work out in what direction the economy is going to go—that the best thing you can do to help to stimulate an economy is to deliver tax cuts. That is the very best thing you can do to help to stimulate spending by consumers. Last year, on 1 July, there was a fiscal stimulus—a fiscal stimulus meaning that income tax was cut by $12 billion. After the introduction of the GST and after the abolition of the wholesale sales tax and the tax on manufacturing—which we remember on this side of the House—the next fiscal stimulus, the next injection into the Australian economy, was around $6 billion. Even if we had planned that as a stimulus at that point of time in the economic cycle, we could not have got it that right. But it was right; it was on the money. That stimulus has provided the impetus to the Australian economy to withstand as far as it can the volatility that is coming from some of our biggest trading partners.

On 1 July this year, company tax will go from 34 per cent to 30 per cent. We are abolishing FID, which is around $1.2 billion a year, and we are abolishing stamp duty on the transfer of shares and a range of other products. There are more tax cuts coming in on 1 July this year. Do you know what? The Labor Party opposed all of it. The Labor Party opposed the tax cuts. The Labor Party opposed the company tax cuts. The Labor Party opposed the abolition of wholesale sales tax. To be fair, the Labor Party opposed the GST. They are so opposed to the GST that, almost nine months after it has been introduced, they are still introducing matters of public importance on the GST. They are so committed to their opposition of the GST that, should they be elected into government, they are going to keep it. The members opposite are all looking down at this point. They are looking down and saying, ‘Well, it is a little embarrassing because we do not know what our position should be.’ They talk about roll-back, and we wonder what roll-back is. I think we asked the question: what is roll-back? Does roll-back mean that you are actually going to abolish the GST and a whole range of products and services? We have heard the rhetoric about women’s health products and we have heard the rhetoric about caravan parks. We are not sure what the Labor Party are really going to roll back. But we know one thing: the Labor Party are going to have to pay for roll-back. Ms Gillard interjecting—

Mr HOCKEY—That is right. You are going to have to pay for roll-back. If the Labor Party are going to have to pay for roll-back, there are two ways that they can do it. One, the government can borrow more money. That is a bit of a short-term solution
because, if you are reducing your revenue base, it is not just for one year that you are reducing it; it is every year. So you would need to borrow money every year to pay for that. Alternatively, you would have to cut spending. The Labor Party have pledged to increase spending on health, education, industry, research and in a range of other areas. So where are they cutting their spending? If you are not going to cut your spending and if you are not going to borrow money, obviously you are going to reduce the size of the surplus. The member for Hotham is on the record saying that in fact the Labor Party are going to run a bigger surplus than we are—a bigger surplus. It has got to be a big surplus! It is a bit like George Costanza’s big salad. Here is the big surplus! If they are going to run a bigger surplus, they are going to increase spending—they are not going to borrow money—and they are going to roll back the GST. It just does not stack up. I, as do others, well remember the words of the Leader of the Opposition to the Labor caucus when he said, ‘We are going to surf the GST into government.’ Thankfully, the Australian public is a lot smarter than that. They will not cop that sort of rhetoric. No matter what the best attempts might be of Midget Beazley to surf the GST in—

Mr DEPUTY SPEAKER (Mr Nehl)—Order! You will withdraw that.

Mr HOCKEY—Midget Beazley?

Mr DEPUTY SPEAKER—Yes.

Mr HOCKEY—As in a surfer—Midget Farrelly, Midget Beazley?

Mr DEPUTY SPEAKER—I will accept the analogy.

Mr HOCKEY—Thank you, Mr Deputy Speaker. No matter what the rhetoric might be from the surfing Leader of the Opposition, I say that the Leader of the Opposition has to have policies that stack up, and the reason why he is not releasing those policies is that he does not have policies that stack up. When they come into this place and have an MPI again about the GST, they need only make one statement. They need to say that, should they be elected, they will abolish the GST. I table the document. (Time expired)

Mr DEPUTY SPEAKER—Before I call the next speaker in the debate, perhaps the Minister for Financial Services and Regulation did not realise that he should have sought leave to table that document.

Mr Hockey—I table the document. Leave granted.

Mr EMERSON (Rankin) (4.22 p.m.)—Promises, promises, promises. This is a government of broken promises. Before the last election the Prime Minister promised Australians that the GST would be good for the economy. He said in August 1998:

The tax plan is good for Australia ... It will boost the growth and strength of the Australian economy. It will generate more jobs.

The Treasurer, too, promised that the GST would be good for the economy. He said that the GST package would create ‘bigger exports, more trade, more jobs, more growth’. The fact is that the GST is a wrecking ball swinging through the engine room of job creation in Australia: small business. We, on the Labor side, asked how a $26 billion new tax could create jobs. It was a very good question. The same question was posed by Professor Peter Dixon, who, in his modelling for the Senate GST inquiry, found that the GST would be job destroying. The facts are that, since the GST came in, annual jobs growth has halved and the unemployment rate has increased from 6.4 per cent to 6.9 per cent.

It is small business that is bearing the brunt of this. Labor said, ‘One way that you can help is to simplify the business activity statement.’ The Treasurer said, ‘That is a ridiculous idea. It cannot be done.’ Just after he finished ridiculing the idea, he picked up the idea of simplifying the business activity statement. But he botched it, and now business is complaining that the business activity statement and the whole compliance burden are unbearable. This is the same Treasurer who declared on ABC radio in his famous Perth declaration of 18 May last year, ‘I don’t think anybody will go to the wall as a
consequence of the GST.’ That was the famous Perth declaration.

I will just give you a couple of examples of businesses going to the wall. You may recall during the Ryan by-election that Shahid and Shirin Momtaz’s giftware shop in the Ryan electorate had to close on the day of the by-election because, to quote Ms Momtaz, ‘We started a year ago. It was going well, then after the GST it was down and down and down.’ That shop closed on polling day. This is an interesting example. It is an issue of the Nillumbik Mail. This newspaper contains a front-page story about the member for McEwen boasting how she had a great win on petrol when the government finally backflipped on petrol. But the front-page editorial declares ‘Final issue of The Mail’ and states:

This issue of the Nillumbik Mail will be the last in its present format as it has been decided to put the newspaper into recess.

The editorial goes on to state:

... regrettably with the introduction of the GST and subsequent downturn in the economy, we as a small independent publisher, have not been able to attract sufficient advertising and real estate support to continue the newspaper in its current form.

Today’s cut in interest rates is an attempt by the Reserve Bank to bail out the economy, to bail out this government. The Reserve Bank cites as a reason for the half a percentage point cut ‘the unprecedented and unexpected downturn in housing investment’. It notes that ‘this downturn is having negative impacts through other sectors in the economy’. It sure is. Here is a graph of what has happened to the housing industry under this government. It shows a free fall. I do not know if anyone has seen the movie Vertical Limit, but that is free fall. The government said, ‘No, it is okay, it is just a bit of a hiccup because there was a big spike before.’ I am still looking for the big spike. I reckon it is a big collapse. Further damning evidence of the government’s maladministration of the economy and its inflicting of the GST on the economy was provided today in a survey of grocers where it was revealed that ‘the compliance cost for small independent family grocers equates to nearly a third of the GST they collect’. The survey states:

... the average cost to each small independent grocer was more than $18,000 in start-up costs and $6,000 in on-going compliance costs—all to collect and remit just over $21,000 of GST.

So it is driving grocers to the wall, it is driving businesses all over the place to the wall, yet the Treasurer said, ‘The GST will be good for the economy.’ Remember that he said ‘bigger exports, more trade, more jobs, more growth’. What has happened to growth? We have had the first negative quarter of economic growth for a decade, and the government is trying to say, ‘It has nothing to do with the GST. It is the US economy; it is the Labor Party; it is someone else.’ The Australian Chamber of Commerce and Industry and Westpac, in a survey, point the finger directly at the GST when they say: While high interest rates and energy prices have impacted both series, the GST effects in Australia have pre-empted the US weakness.

So they are saying that it is all because of the GST, and they are right. This is the same Treasurer who declared that the value of the Australian dollar is a mark of the government’s economic management. He said:

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

He said that as shadow Treasurer on 30 June 1995 when the Australian dollar was US71c. It is now below US50c, a collapse of around 30 per cent. Our Australian dollar was supposed to go up as a result of the GST. It has collapsed not just against the US dollar but against 150 currencies out of a possible 161 currencies, including the currencies of Botswana and Swaziland that have that terrible, much hated, outdated wholesale sales tax that was replaced here by this ‘streamlined new tax system for a new century’. What has happened to our dollar? That is what has happened to our dollar since the GST came in. It is just like the housing industry: it is in slump, it has been collapsing.
The GST has failed to deliver any of these purported benefits. Firstly, it never could; and, secondly, the government said that it was going to replace 10 taxes with the GST. It has not. That is another broken promise. It has abolished only four taxes: two already—the wholesale sales tax and a minor bed tax in New South Wales and the Northern Territory—and two more taxes that are supposed to be replaced on 1 July.

I have just heard the Minister for Financial Services and Regulation saying that the Labor Party opposed personal income tax cuts. We did not. We voted for personal income tax cuts. He said that the Labor Party opposed the company tax cuts. We did not. We voted for the company tax cuts. So the government should start telling the truth not only in this parliament but also to the Australian people. This is a government of broken promises. It is a government that promised that everyone would be better off under the GST. I have quote after quote of the Prime Minister and the Treasurer saying before and after the election that everyone would be better off under the GST. They are not better off under the GST and they know it.

A public opinion poll showed recently only 21 per cent of Australians feel they are better off under the GST. Who is right, and who is wrong? I think the people know themselves to be better off under the GST. They said they gave the big thumbs down to the GST. This is a government of broken promises. This is a government that broke its promise. Remember the promise that all older Australians would get a $1,000 savings bonus? Remember the Prime Minister promising:

You get a $1,000 savings bonus for people over the age of 60.

Then he said:

... for every person 60 and over there will be ... savings bonus—a one-off tax free payment of $1,000 in relation to any investment income that you might have.

Another broken promise. The Prime Minister promised that pensioners would get a four per cent rise. That was in full-page advertisements in all the major newspapers around Australia before the last election. The government clawed back half of that pension rise on 20 March. This is a government of broken promises—like the promise:
The GST will not increase the price of petrol for the ordinary motorist.

Remember the Prime Minister in an address to the nation said that it would not happen? It did happen. It happened on 1 July. This is a government of broken promises—like the promise that the GST would not increase the city-country price differential. It did increase the city-country price differential. The government promised that health would be GST free. Health is not GST free. The government promised that education would be GST free. Education is not GST free.

The government promised that the GST would only slightly increase the price of beer. They had to backflip on that because we made them backflip on that—another broken promise. The minister opposite talks about talking the Australian economy down. That is just a refrain to seek to prevent us from criticising this government’s abysmal economic management. But talk about talking the Australian economy down: the now Prime Minister and then Leader of the Opposition declared in an interview, not in Australia but overseas, in 1986 ‘the times will suit me’, because the economic difficulties of that time, he said, would suit him.

I have just been given some figures on bankruptcy. I think they are actually pretty ugly. But I will talk about that later. I will probably have to seek leave on that one. Remember the Beatles song ‘Give Pete a chance’? He is blaming everyone for the Australian economy: Timmy Leary, Rosemary, Tommy Smothers, Bobby Dylan, Sharan Burrow, Greg Combet, Tommy Cooper, Derek Taylor, Norman Mailer. He has got to take responsibility for his own mismanagement. (Time expired)

Mr St CLAIR (New England) (4.32 p.m.)—After 10 minutes of negativity and
15 minutes of negativity before that, I would just like to fill this 10 minutes by talking about this matter of public importance. It is not the first time that we have had an MPI on the ‘serious impact of the GST’. I looked up the word ‘serious’ in the dictionary, and it says, ‘Of great importance, momentous, in earnest, not ironical or pretended’. As a great supporter of the GST and A New Tax System, it is my great privilege to stand here today and talk about it. I would like to fill this session of the MPI with the positive things, rather than the negative things. People often say to me, ‘Australia has moved on with the GST. Australia has got on with the business of A New Tax System.’ Now we are in April. Time has moved on, but it appears that the Australian Labor Party has not moved on in this House and continues to raise issues of negativity.

I want to talk about what this government, in listening and taking action, has done in doing the things that had to be done and in fact achieving amazing goals. A strong economic base has been secured in Australia and a new prosperity is being forged through lower interest rates, investment and of course jobs. There is lower unemployment. Almost 800,000 more jobs have been created under this government. Unemployment is now below seven per cent, well below the peak of 11.2 per cent under the last Labor government—93.2 per cent of teenagers being in full-time or part-time work or education.

Lower inflation and interest rates were discussed here again in question time. I am going to remind the people of this House and of course the Australian public that we do have low inflation. That encourages low interest rates and a more stable environment, which enhances investment and jobs. Home mortgage rates are down to 7.3 per cent or below and small business interest rates are down to below 8.5 per cent. I welcome the news today of the Reserve Bank reducing its official interest rate by 50 points. As a person who has come to this place from small business of 30 years or more—26 of those in my own business—I reflect often on what has happened over the last period of years with interest rates and the cuts that have been able to be brought in by this government and deliver for the public, for example, for the home buyers, for those mums and dads out there who are looking to purchase their homes. Under this government they are now able to purchase them at a rate significantly lower than before.

I was listening at question time to the savings quoted for people with mortgages of around $100,000. Certainly there are many people with mortgages such as that in the major regional cities of Tamworth and Armidale in my electorate of New England and also around Australia. This small rate cut today is going to save those with $100,000 mortgages about $40 a month. I know that people on the other side do not think that is much, but that is $10 a week after tax—substantial. When you go back and you look at the savings compared with when the Labor Party was in power, in peak times, when our interest rates for housing were up around 17 per cent, you are looking at a significant saving of over $10,000 per annum after tax because interest rates are down.

When I look at small business, I can remember, as I have often said in this place, when my overdraft rates were through the roof, as were leasing rates for machinery and equipment that we wished to purchase to provide employment opportunities and strong futures. We notice that the overdraft rate is now around 7.95 per cent or maybe a little higher. Even back in 1996, which is not that long ago, the rate was around 11 ¼ per cent. The saving on that $100,000 overdraft—and again small business know that these are the facts—is some $3,300 per year, a substantial sum of money that can be used to buy machinery and market access, to employ people and of course to provide wealth for this nation. But I just reflect back to when it was around 22 per cent. We all know, coming out of small business, that the saving now compared to then when the rates were around 22 per cent—what we will save and what small business will save—is some $12,000 per annum, a significant sum of money when you consider that that comes off your pre-tax profit.
The previous speaker mentioned a new tax. This again shows the lack of understanding by those on the other side. We do not have a new tax; we have A New Tax System. We have a fair and equitable tax system—a good tax—and, because of that introduction, 80 per cent of taxpayers now pay no more than 30 cents in the dollar. We heard the Minister for Financial Services and Regulation, at the table, the member for North Sydney, say that low tax and low interest thresholds mean that families will be able to keep more of their hard-earned income. While I am referring to the minister, I compliment him on the production of a very positive card that he is able to send out to people—because people have moved on; they are looking forward to the future. The card talks about what the Howard-Anderson government has done for Australia, and I commend it to those on the other side. We have repaid part of Labor’s debt. Small business wants us to continue to do that; the Australian public want us to continue to do that. We have repaid some $50 billion of Labor’s $96 billion debt. This reduces our interest bill and means that we can fund important things like health, education and more police.

I want to highlight a couple of facts about what we could have done with that money had it not been paid. The interest bill from Beazley’s debt alone is enough to cut 15c a litre from the excise on fuel, for example. Amazing! The interest bill alone from that debt was around $5,000 million dollars per year. In the last budget from the Labor Party, 1995-96, the Commonwealth actually spent the same on interest payments—it is very important for the public to understand this, and I am sure other members hear the same as they go around their electorates—people continue to say to me, as I said in this House a month ago, ‘Do whatever you can, but stop the Labor Party coming back into power federally; do not allow them to get control of the handles on this economy.’ People know it will fail. (Time expired)

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

COMMITTEES
Treaties Committee
Report
Mr ANDREW THOMSON (Wentworth) (4.42 p.m.)—On behalf of the Joint Standing Committee on Treaties, I present the committee’s report entitled The Kyoto Protocol—Discussion paper—Report 38, together with the minutes of proceedings and evidence received by the committee.

Ordered that the report be printed.

Mr ANDREW THOMSON—by leave—I welcome this opportunity to table a discussion paper which represents what the committee has heard around half way through the inquiry we have been conducting into the Kyoto protocol. It was thought by members of the committee that the evidence we had received would be of such interest to people watching this debate take place, both within Australia and indeed in almost every country on the surface of the earth, that we ought to taxes, just as it raised the taxes after it won the 1993 election.

We have heard about roll-back and we have sat in this House and listened to this talk of roll-back. When a mum and a dad try and balance their accounts at home, they do so out of a purse. You can basically spend only what you have in that purse—unless you are like the Labor Party that has a corporate credit card where you continue to borrow. You don’t worry about paying it back; you just continue to borrow. You can either do it that way, if you want to spend more money, or lift tax. They are the only ways you can actually do it—to put it out on credit and borrow or lift tax. As I go around my electorate—and I am sure other members hear the same as they go around their electorates—people continue to say to me, as I said in this House a month ago, ‘Do whatever you can, but stop the Labor Party coming back into power federally; do not allow them to get control of the handles on this economy.’ People know it will fail. (Time expired)
publish, at this point, a paper giving light to some of the things that have been said to us about the protocol—not so much to try and bring down an interim report, where members would divide and support certain particular views, but simply to give an airing to the issues that we have heard so far.

What I would say about Kyoto is that no treaty has attracted more controversy in recent memory than this instrument. It goes back to its beginnings. It is a child of the UN Framework Convention on Climate Change, and it is based on an assertion by a group of scientists that increasing levels of greenhouse gases, particularly carbon dioxide, in the atmosphere will cause, or are causing, a significant increase in average temperatures. The underpinning science of this assertion—indeed, of the whole Kyoto movement—is still developing. It is wrong to think that this issue is settled. Indeed, the computer models that are used to try to project average temperatures in the future depend on a number of complicated mathematical equations, which we found were, frankly, impossible to explain to lay people such as us. Nonetheless, we are very interested in new developments in the science of what was once called ‘meteorology’ and is now, of course, called ‘climate change’.

In the Australian Financial Review today, Peter Walsh, a former senator and minister in the government of this country, very clearly expresses the case for those who doubt the veracity of some of the science. He points to the discovery by a group of American scientists of a phenomenon called the ‘iris effect’. It is referred to in paragraph 2.22 of the discussion paper. For those interested in how the underpinning science is developing, I commend the article by the American scientists to them. It is published in volume 82 of the Bulletin of the American Meteorological Society.

We heard evidence from some well-qualified and eminent scientists who disagree with the prevailing scientific orthodoxy from the International Panel on Climate Change, the IPCC. We found it very valuable, because there are huge risks involved in taking unilateral action to cap emissions of carbon dioxide, especially for an economy such as Australia’s which depends very largely for its comparative advantage on cheap energy—of course, that means coal. The question in this context—highlighted, of course, by the decision of President George W. Bush to, in effect, withdraw from further negotiations and Kyoto—is: will the developing world ever commit to emission caps for carbon dioxide? Will China, India or Indonesia ever really subscribe to a regime of compulsory abatement of greenhouse gases? Some of us have our doubts about this. Others feel that, in the future if the nexus between carbon dioxide and climate change is more clearly proved in a sound scientific way, there may be a movement among some of the developing countries—who are competitors with Australia for the same sorts of industries—to consider such emission caps. In the absence of that, it seems a very dangerous thing.

My view of it is that, when the science is still evolving and when the economic ministers of China, India and Indonesia could very well be salivating at the thought of stealing our industries in smelting, processing and manufacturing, to institute too harsh a regime under Kyoto, to persevere with a carbon withdrawal regime in this country, would be the economic equivalent of a unilateral disarmament. It would be extremely dangerous, and I hope that neither this government nor any future government would ever go down that path without an assurance that there will be a level playing field between Australia and the developing world when it comes to greenhouse emissions. I should say that the committee intends to continue its public hearings on this issue. We will soon travel to Perth and to Melbourne again to take evidence, and we will probably have another session in Canberra before the winter recess. I commend the discussion paper to the House.

Mr Baird (Cook) (4.49 p.m.)—by leave—I rise today to add my comments on the Kyoto protocol discussion paper, which is being presented today. This is a particularly important paper, and particularly important research work is being undertaken by
the Joint Standing Committee on Treaties. As we know, the Kyoto protocol was negotiated in 1997. The agreement Australia reached was an excellent effort by the Minister for the Environment and Heritage, Senator Hill, after difficult negotiations and discussions. The position for Australia is challenging in that, as a net exporter of energy intensive products, if we simply give away the carbon credits in an ad hoc way, if we do not negotiate effectively, we will advantage others in developing countries and developed countries. The agreement that we would maintain emissions at eight per cent over 1990 levels at the end of the decade seemed appropriate at the time.

Of course, the Kyoto protocol has been marked by controversy, not the least of which was the announcement in the last few days from President George Bush that the United States was withdrawing its support for the protocol. I think that is very disappointing, as the United States produces 40 per cent of the energy in the world. It is appropriate that this very large economy should see its global responsibility on the issue of carbon emissions. It is not an imaginary factor: it is here, it is now and it is real. All the appropriate scientists are warning us about the question of global warming. I think that we ignore that at our peril, not only for our generation but for the generations that follow us. I believe it is irresponsible simply to withdraw from the process rather than to negotiate a position. Some questions could be asked about the process that we have gone through in relation to the Kyoto protocol. It would now appear that some of the aims of the protocol have been far too ambitious, which is one of the reasons that there have been problems in reaching agreements. Perhaps the overall intentions of the direction in which we should be going should be agreed to, and perhaps milder targets could be established. But simply to ignore the process and to press on—as if we do not have a real problem when we have one of the most significant problems facing the world today, without a doubt—is wrong. I am sure that future generations will look back in amazement at the lack of speed with which we addressed—or failed to address—these issues.

The submissions that we received represent a wide range of opinions, and the minister has produced his own opinion on this. I noted his comments in the Senate that he was disappointed that the US government was not continuing in terms of the dialogue on this process. I think that is an appropriate view of it. I notice that the Europeans have a very different view from the US or the US President on the issue. There is a problem that several large countries have made no commitments to this protocol. Developing countries are also not involved, and without their involvement the whole process can be challenged. Nevertheless, the international community has been warned that global warming is a real issue and that the Kyoto protocol is worth pursuing because of the very urgent issue of global warming.

Dr Schneider from Stamford University, who briefed us only last night, warned us that current trends lead most observers to predict that concentrations of carbon dioxide in the atmosphere will increase by between 500 and 600 per cent over the next decade, and 100 years from today global mean temperatures could have increased by between 1.4 and 5.8 degrees Celsius. That is a major concern. If those facts are true and those extrapolations are right—and Dr Schneider certainly was impressive to listen to—we really should be committing all of our resources to see how we can contribute, in terms of Australia’s aims and objectives, to reaching some of the quotas. Obviously we need to protect our own industries and obviously we should be going into this process with recognition of the contribution of other major economies. But it is a real and present issue, and the question of the reduction of polar ice caps is significant. The questions of the heat stress placed on livestock, crop damage, decreasing crop yields, different pests being abundant, major shifts in tourist destinations and risks of infectious diseases were all referred to by Dr Schneider last night.
In conclusion, I commend this document to the House. It is a challenging issue for both sides of the House, for the parliament as a whole and for our nation. Not only for this nation but for other nations, it is disappointing to note the response of the US to this most important of issues. I think it behoves all of us to see the challenges that exist for Australia and internationally in this very real issue.

Mr HARDGRAVE (Moreton) (4.55 p.m.)—by leave—I am pleased to associate myself with this committee report on the Kyoto protocol. It is a report which offers some discussion points for others to look into this whole question of the Kyoto protocol. I congratulate the member for Wentworth on his expert stewardship of this committee and acknowledge his close attention to detail on this important matter and in fact all important matters which come before the Joint Standing Committee on Treaties.

It is very obvious that Australia, as a well-developed and mature democracy, is doing its bit as far as attempting to lower greenhouse gas emissions is concerned. We have been active participants in the discussion at the international level about the matters to do with the Kyoto protocol. The Minister for the Environment and Heritage, Senator Robert Hill, rightly achieved for Australia some great concessions which essentially took into account the fact that a small population on a large landmass should be treated somewhat differently from the formula that came out of the discussions relating to the Kyoto protocol.

Against that background, the United States of America have chosen their own course of action, and I think the member for Cook has canvassed those very well. As the member for Cook and also the member for Wentworth pointed out, we as a nation, having done our bit, should feel somewhat distressed by developing countries which underdeveloped countries have taken into account the fact that a small population on a large landmass should be treated somewhat differently from the formula that came out of the discussions relating to the Kyoto protocol.

The member for Wentworth and I both attended the Asia-Pacific Public Affairs Forum in Kaohsiung in Taiwan last year, and I spoke in connection with this matter at that conference. It is interesting to reflect that nations like the Philippines, Thailand, Indonesia, Malaysia, Singapore, Australia, New Zealand and Taiwan were represented at that conference and each of us lamented the fact that so many well-developed countries were actually exporting pollution to developing nations, exporting pollution in the types of industries that are being established there. They were exploiting the concept of high numbers of carbon credits and taking practices that were being outlawed in countries like the United States and Australia to these developing countries, knowing full well that
they would grab hold of the capital injection of that particular project, put up with the pollution and get away with it on the world stage while producing a good at a cheaper price.

Meanwhile, in Australia, our industries are tamping down on their greenhouse gas emissions—if you like, toeing the international line—paying in the short term a high economic cost as the production of goods in this country by comparison to those developing countries is quite high. But I am very optimistic, as I said at that APPAF conference last year, that nations like Australia are going to come out of this having led the way forward, having paid the high unit cost of production by comparison to others and, in fact, being in such a good position as a world leader in producing items at a relatively low pollution cost.

It is also a matter of concern to me that our opportunities to export commodities such as shale oil contained in a major project in Central Queensland—the leases for which Southern Pacific Petroleum controls and where billions of dollars worth of shale oil is buried in the ground awaiting exploitation, awaiting exporting from this country to turn the current account deficit into a current account surplus on a more constant basis—are sitting there waiting because Australia is such a good international citizen. Meanwhile, other countries and developing nations in South America are exploiting and probably polluting far more of their atmosphere in a local sense—these commodities, pulling them out of the ground and creating a bigger mess than we would here, because we have standards that we impose upon those who want to extract things from the ground for export.

Australia is paying a high cost and it is right that the Joint Standing Committee on Treaties has come down to this point of a discussion paper. As the world stage is seeing changing players, changing themes and a constantly changing drama unfolding on this particular issue, we cannot draw an absolute conclusion, but we are optimistic that this paper will contribute to the ready debate that needs to take place on this very important issue, an issue that—as the member for Cook says—sets some of the parameters for judgment that future generations will offer to us about our handling of this important issue. I commend the report to the House.

Mr ANDREW THOMSON (Wentworth)—by leave—I move:

That the House take note of the report.

I seek leave to continue my remarks later.

Leave granted; debate adjourned.

COMMITTEES

Public Works Committee

Referral of Work

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.03 p.m.)—I move:

That, in accordance with the provisions of the Public Works Committee Act 1969, the following proposed work be referred to the Parliamentary Standing Committee on Public Works for consideration and report: Fitout of new Central Office building for the Department of Immigration and Multicultural Affairs at Belconnen, ACT.

The Department of Immigration and Multicultural Affairs proposes to fit out new lease premises at Belconnen in the Australian Capital Territory. The mission of the Department of Immigration and Multicultural Affairs is to manage the entry of people into Australia, the successful settlement of migrants and refugees, enabling them to participate equitably in society, and promotion of the benefits of citizenship and cultural diversity. The central office of the Department of Immigration and Multicultural Affairs has been housed in the Benjamin Offices complex at Belconnen in the Australian Capital Territory since the mid-1970s. In February last year, the Commonwealth sold the Benjamin Offices complex to Benjamin Nominees, a local Canberra business consortium.

At the time of the sale, the Department of Immigration and Multicultural Affairs occupied approximately 26,000 square meters of the complex. The Benjamin Offices complex has inherent limitations with its layout and serious shortcomings with services, includ-
ing the airconditioning plant. In general, the fitout and amenities of the building are in a deteriorated state. Benjamin Nominees undertook to meet their contractual obligation to improve the condition of the buildings and presented the department with a new leasing option in November last year. They also put forward a proposal for a new building complex to be constructed adjacent to and on the footprint of the existing Benjamin Offices yellow-green building. This offer included a proposal for an integrated fitout that mirrors the arrangements with the Australian Bureau of Statistics for its new Cameron Office building project.

The department considers that the offer of a new purpose-built building represents an extremely attractive and commercially competitive leasing strategy for the Commonwealth and delivers functionally effective, space efficient and environmentally sound, A-grade accommodation.

This proposal covers the fitout of the new leased premises for the Department of Immigration and Multicultural Affairs and includes: a general office fitout with fixed partitioning and screens for open plan workstations; shared use facilities such as foyer reception areas, staff amenities and meeting rooms; storage facilities; whitegoods, built-in items for tea points and audiovisual equipment for training rooms; fire protection services, and security provisions, cabling and infrastructure for departmental requirements.

Existing furniture items that meet occupational health and safety standards will be reused to the greatest possible extent. The impact of this development will be significant for the Belconnen Town Centre. Coming as it does on the back of the Australian Bureau of Statistics new building complex, it will provide for further regeneration of the town centre, create short-term employment opportunities and boost economic activity into the future.

It is estimated that the construction work force will fluctuate between 100 and 300 workers during the construction of phases 1 and 2 of the project. The estimated cost of the fitout works is $18 million. Construction of the two-stage building is proposed to commence by the end of July this year, with an estimated completion date for stage 1 work of October next year. Stage 2 is scheduled to be completed in July 2003. The fitout works will be integrated with the base building works. Subject to parliamentary approval, the target date for commencement of the fitout works is October this year.

There is a time imperative on the proposal. Benjamin Nominees has offered a cash incentive of $7.75 million on the deal. The cash incentive is predicated on approval being given this financial year. Benjamin Nominees have indicated that, should approval not be possible in the time period, the fundamentals of the offer could not be maintained and would need to be reviewed. I commend the motion to the House.

Question resolved in the affirmative.

PARLIAMENTARY ZONE Approval of Proposal

Motion (by Mr Slipper, for Mr Anderson) agreed to:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposal for work in the Parliamentary Zone which was presented to the House on 29 March 2001, namely: construction of pedestrian crossings at the intersection of Parliament Drive and Melbourne Avenue.

PARLIAMENTARY ZONE Approval of Proposal

Mr SLIPPER (Fisher—Parliamentary Secretary to the Minister for Finance and Administration) (5.09 p.m.)—On behalf of the Minister representing the Minister for Regional Services, Territories and Local Government, Mr Anderson, I move:

That, in accordance with section 5 of the Parliament Act 1974, the House approves the following proposals for work in the Parliamentary Zone which were presented to the House on 3 April 2001, namely:

(1) design and siting of services pavilion associated with Commonwealth Place and materials, colours and finishes to Commonwealth Place; and

(2) final text and images for Magna Carta Monument.
Commonwealth Place is to be constructed in the Parliamentary Zone at the junction of Walter Burley Griffin’s land axis and Lake Burley Griffin. This motion seeks parliamentary approval for the siting and design of a services pavilion associated with Commonwealth Place and for the materials, colours and finishes to Commonwealth Place. The chamber may note that this approval is the second of a staged approval process and that the works necessary to construct Commonwealth Place have previously been approved by resolution of both houses of parliament. Details of the lighting and signage will be submitted separately to parliament for approval during 2001.

A display has been arranged to assist honourable members and senators in understanding the materials, colours and finishes and the scope of the works proposed and their impact on the existing scope of the zone. The display will comprise a location map, a materials sample board and drawings. It will be available for inspection from 2 April 2001 until 6 April 2001 and is located outside the House of Representatives side entry to the members’ private dining rooms on the second floor.

As the Parliament House vista is listed on the Register of the National Estate, the Australian Heritage Commission has been consulted, and has advised it is supportive of the proposed works. Commonwealth Place will be a great new public area in the heart of our national capital, built during our Centenary of Federation.

The motion also relates to the Magna Carta monument, planned for construction in Magna Carta Place adjacent to the Old Parliament House Senate gardens. The monument will commemorate the Great Charter sealed by King John at Runnymede in 1215. The project was initiated by the Australia-Britain Society and will be partially funded by a generous gift from the British government to Australia for the Centenary of Federation. The design, which features a pavilion structure with a bronze, domed roof placed at the apex of two walls which are of polished granite, was approved by both houses of parliament on 27 November 2000. At the time of tabling, both houses were advised that the final text and images would be submitted for parliamentary approval in early 2001, after consultation with relevant stakeholders.

With a recommendation from the secretariat of the then Council for Aboriginal Reconciliation Australia, the National Capital Authority engaged an adviser to consult with key indigenous groups from both the local Ngunnawal people and those representing national issues, for the purpose of obtaining their views on the proposed artwork and draft text to be used as part of the Magna Carta monument. Representatives of the Aboriginal and Torres Strait Islander communities commented on a draft of the text and images. Following further consultation between the Australia-Britain Society, the Australian Heritage Commission and other relevant parties, the images and text have now been finalised. The responsible minister, Senator the Hon. Ian Macdonald, has lodged copies of the text in the Table Office of both chambers for the information of honourable members and senators. Approval for the text and images for the Magna Carta monument is therefore sought under section 5(1) of the Parliament Act 1974. I commend the motion to the House.

Question resolved in the affirmative.

FOREIGN AFFAIRS AND TRADE LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Main Committee Report

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

Ordered that the bill be taken into consideration forthwith.

Bill agreed to.

Third Reading

Bill (on motion by Mr Slipper)—by leave—read a third time.
COAL INDUSTRY REPEAL BILL 2000
Main Committee Report
Bill returned from Main Committee without amendment; certified copy presented.
Ordered that the bill be taken into consideration forthwith.
Bill agreed to.

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

PARLIAMENTARY ZONE
Approval of Proposal
Mr DEPUTY SPEAKER (Hon. I.R. Causley)—Mr Speaker has received messages from the Senate transmitting resolutions agreed to by the Senate approving proposals by the National Capital Authority for capital works in the Parliamentary Zone being pedestrian crossings at the intersection of Parliament Drive and Melbourne Avenue; the design and siting of a services pavilion associated with Commonwealth Place and the material, colours and finishes to Commonwealth Place; and the final text and images for the Magna Carta monument in Magna Carta Place.

BILLS RETURNED FROM THE SENATE
The following bills were returned from the Senate without amendment or request:
Migration Legislation Amendment (Integrity of Regional Migration Schemes) Bill 2000
Crimes Amendment (Age Determination) Bill 2001

FAMILY AND COMMUNITY SERVICES AND VETERANS’ AFFAIRS LEGISLATION AMENDMENT (DEBT RECOVERY) BILL 2000
Consideration of Senate Message
Message received from the Senate returning the Family and Community Services and Veterans’ Affairs Legislation Amendment (Debt Recovery) Bill 2000 and acquainting the House that the Senate does not insist on its amendment No. 19 disagreed to by the House, and does not insist on certain amendments disagreed to by the House and has agreed to the amendments made by the House in place of those amendments.

CORPORATIONS BILL 2001
First Reading
Bill presented by Mr Hockey, and read a first time.

Second Reading
Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (5.18 p.m.)—I move:

That the bill be now read a second time.

Introduction
In this the year when we celebrate the 100th anniversary of our island continent’s states coming together to form the Commonwealth of Australia, our states have come together again to deliver a single national governance scheme for our nations companies. The Corporations Bill and the Australian Securities and Investments Commission Bill form an historical package of legislation that will finally deliver with certainty a single national regulatory regime governing the affairs of more than one million companies.

These problems come at a time when, more than ever, Australian business must compete internationally and when they rely on global markets for capital. At the same time, Australia is positioning itself as a global financial centre and it is impossible to sell a message of global regulatory leadership when our own regulation exists with much uncertainty.

This uncertainty surrounding corporate regulation also affects Australia’s ability to generate wealth and create jobs. The Commonwealth is confident that the agreement reached with the states will enable the uncertainty to be overcome, by permitting the
establishment of a scheme that is constitutionally secure, and responsive to domestic and international policy pressures.

**Background**

To understand the context of the bills, it is necessary to consider the history of corporate regulation in Australia over the last 20 years.

**Cooperative Scheme**

From 1982 corporate regulation in Australia was based on a system of state, Northern Territory and Commonwealth legislation, known as the ‘cooperative scheme’. It represented a significant advance on the legislative and regulatory schemes which had grown in a somewhat haphazard fashion from the uniform companies laws of the 1960s. However, it had a number of deficiencies. It was a regime in which no parliament, no government and no minister had responsibility and accountability for the operation of the scheme. It failed to meet the need for a truly national approach which was required particularly in the securities and futures industries. It did not cope with rapid changes in the corporate world, and proved unable to address with the necessary vigour the corporate wrongdoing of the 1980s.

**The Corporations Law**

To remedy these deficiencies, a new national scheme for the regulation of corporations and securities was devised. In May 1988, the Commonwealth government introduced a Corporations Bill, an Australian Securities Commission Bill, and associated legislation. The bills were enacted by the Commonwealth in 1989. However, a number of states successfully challenged the validity of aspects of the legislation in the High Court.

Fortunately, it was recognised by all parties that a replacement scheme needed to be established that would address the serious administrative difficulties with that scheme. Less than five months later, in June 1990 at Alice Springs, the outline of a new scheme was settled. Under the scheme, the Corporations Law is contained in an act of the Commonwealth parliament known as the Corporations Act 1989, which was enacted as a law for the Australian Capital Territory. Separate laws of each state and the Northern Territory applied the Corporations Law of the Australian Capital Territory as a law of that state or the Northern Territory. As a result, changes made from time to time to the Corporations Law automatically apply throughout Australia.

Until various successful High Court challenges to the scheme, which I shall refer to shortly, it operated in a seamless fashion as a single national scheme, even though it is actually a system of Commonwealth, state and territory laws that applies in each state and the Northern Territory as a law of that state or territory.

The Corporations Law is administered generally by a Commonwealth body, ASIC, established under the Australian Securities and Investments Commission Act 1989. Each state and the Northern Territory has passed legislation applying relevant provisions of that act, and also conferring functions relating to the administration and enforcement of the Corporations Law on, among others, the Commonwealth Director of Public Prosecutions and the Australian Federal Police.

The corporations agreement provided for the ongoing participation of the states and Northern Territory in corporate regulation, in recognition of the split of legislative responsibility for company law between state and federal governments. Specifically, consultation and approval mechanisms in relation to amendments to the Corporations Law were included in the agreement.

To enhance the national character and seamless nature of the scheme, the legislation contained ‘cross-vesting’ provisions. These provisions established an efficient system of adjudication by, among other things, allowing federal courts to exercise relevant state jurisdiction and vice versa. Courts and litigants were freed from and jurisdictional disputes.

**High Court decisions**

It is widely accepted that the current scheme has worked well. For a decade, Australian business has greatly benefited from
the stability and uniformity that the Corporations Law provided. However, regardless of the efficiency and efficacy of the Corporations Law, recent legal challenges and decisions of the High Court of Australia have cast doubt on the constitutional framework which supports it. These doubts have been identified by the High Court in two significant cases.

The first case was decided in June 1999. The High Court decision in re Wakim: ex parte McNally invalidated the cross-vesting legislation involving the conferral of state jurisdiction on federal courts established by the Commonwealth Jurisdiction of Courts (Cross-vesting) Act 1987. The High Court held by a majority that chapter III of the Commonwealth Constitution does not permit state jurisdiction to be conferred on federal courts. For the most part, this decision removed the ability of the Federal Court to resolve matters arising under the Corporations Laws of the states. This largely removed access to a forum for dispute resolution that was working very well.

In the second case, The Queen v. Hughes, the High Court held that the conferral of a power coupled with a duty on a Commonwealth officer or authority by a state law, must be referable to a head of power under the Commonwealth Constitution. This means that if a Commonwealth authority, such as the Director of Public Prosecutions or ASIC, has a duty under the Corporations Law, then that duty must be supported by a head of power in the Constitution. This decision cast doubt on the ability of Commonwealth agencies to exercise some functions under the Corporations Law.

The decision in Hughes has significant implications for the Corporations Law scheme, and is likely to have an adverse impact upon its orderly administration and enforcement. Hughes has cast doubt on the validity of some of the regulatory and enforcement functions performed by ASIC and the Commonwealth DPP in some significant circumstances. A number of aspects of the Corporations Law may not be within Commonwealth legislative power. These include the registration and incorporation of companies, and the regulation of bodies corporate other than trading and financial corporations—for example, non-operating holding companies—and their officers.

The Hughes decision has been relied on to bring about substantial delays in regulatory and enforcement processes, and to provide a basis for challenging ASIC’s or the DPP’s power to continue existing proceedings. Plainly, there can be no national corporations scheme without effective enforcement. Without remedial action, further and ongoing challenges to regulatory and enforcement actions taken by Commonwealth officers or authorities under the Corporations Law are inevitable.

The result is a serious threat to the national corporate regulation framework, and to business confidence. In addition, further cases have threatened the existence of companies incorporated under the Corporations Law. The Commonwealth is determined to prevent this from happening.

New agreement with the States—reference

At a joint meeting of the Standing Committee of Attorneys-General and the Ministerial Council for Corporations in August 2000, it was agreed in principle that states would refer to the Commonwealth sufficient legislative power to enact the text of the Corporations Law and the Australian Securities and Investments Commission Act. In addition, the states would refer a power to amend that text in relation to the formation of companies, corporate regulation and the regulation of financial services and products. It was also agreed that the reference should terminate after five years, unless extended by proclamation.

To the disappointment of the Commonwealth and the wider business community, consensus on the details of that agreement could not be reached.

A modified package of measures including the reference was developed and agreed between the Commonwealth, New South Wales and Victoria at a meeting between heads of government on 21 December 2000. The reference ensures that the constitutional
flaws in the existing scheme could be rectified, and dispels the damaging uncertainty which currently surrounds the Corporations Law.

At a meeting of Commonwealth and state ministers on 23 March 2001, Queensland and Western Australia agreed in principle to follow suit. Negotiations are continuing to further consider South Australia’s and Tasmania’s outstanding concerns. All states have agreed to work towards the 1 July target for commencement of the new Corporations Act.

**Amendment power**

Both the Corporations Law and the Australian Securities and Investments Commission Act are amended on a regular basis. The Corporations Law scheme showed that a system that included approval of and consultation with the states on amendments to legislation was workable. The corporations agreement provided that two jurisdictions were required to support an amendment proposed by the Commonwealth.

The states continue to have consultation and voting rights under the proposed new corporations agreement. Further, the Commonwealth has accepted that these rights be enhanced in relation to voting on proposed amendments to corporate law. As a result, the required number of states favourable to a proposed amendment will increase from two to three jurisdictions in areas where approval of the ministerial council is required.

In accepting this, the Commonwealth is mindful that Australia’s position in the global marketplace depends on an effective, responsive and flexible regulatory framework. The capacity to amend the new law quickly is crucial to the maintenance of a viable national law. It would be extremely undesirable to create new concerns about an unresponsive amendment mechanism which would be an impediment to reform in a modern economy. One of the major difficulties under the cooperative scheme applying prior to the Corporations Law was a diffusion of ministerial and parliamentary accountability for the legislative framework. It would be highly undesirable to risk creating similar difficulties in the future as a result of alterations to the voting requirements in the corporations agreement. These considerations were integral to the agreement of 21 December 2000.

Some states have proposed that the state reference legislation should include a mechanism allowing the amendment power to be ‘turned off’, presumably with the result that any amendments made by the Commonwealth parliament to the national law would not operate in that state. Such a provision would be highly undesirable, particularly in view of the frequency with which the Corporations Law is amended. The prospect of one jurisdiction withdrawing the power to amend, and different versions of the law operating in different jurisdictions, would be fatal to business confidence. Uniformity of regulation was the keystone of the success of the Corporations Law.

Accordingly, the corporations agreement provides that a state may not terminate the reference by itself. Instead, if four states vote to terminate the reference of the amendment power, the amendment reference will be terminated by all states at the same time. Further, the Corporations Bill provides in effect that any state that otherwise terminates any aspect of its reference to the Commonwealth ceases to be a ‘referring state’ for the purposes of the bill. This prevents the development of diverging regimes across Australia.

**Other aspects of the reference agreement**

The agreement also incorporates a number of safeguards to meet state concerns about referring power to the Commonwealth. An objects clause in the state reference legislation will include a provision to the effect that the referred powers are not to be used for the purpose of the Commonwealth regulating industrial relations.

The corporations agreement will specifically prohibit the use of the referred powers for the purposes of regulating industrial relations, the environment or any other matter unanimously agreed on by the parties to the agreement. Further, four states are able to reject an amendment that they agree is for a purpose outside the scope of the reference.
The Commonwealth is required to use best endeavours to ensure consultation and voting on parliamentary amendments and would be required to oppose, and refrain from moving, any such amendment that was outside the scope of the reference. For their part, the states are required to put to a vote of the ministerial council any amendment to state or territory law significantly overriding the new act.

The Commonwealth’s aim has always been to retain a national scheme of corporate regulation by ensuring that the new scheme operates in all the states, the Northern Territory and the Australian Capital Territory. These bills I am introducing today represent the bulk of the Commonwealth legislation required for the new system. With the introduction of this legislation, the Commonwealth has done all it can towards putting corporate regulation back on a firm constitutional footing, with a view to commencement of the new system not later than 1 July 2001.

New South Wales has already introduced and passed its reference legislation, enabling the introduction of these bills here today. I am firmly of the view that all governments should now proceed to enact their own reference legislation, in accordance with the framework I have outlined above. That being said, these bills are capable of operating in only those jurisdictions that have referred the necessary power to the Commonwealth. It is to the clear benefit of all governments and Australian business that the new system operate nationally.

Conclusion

Whilst my gratitude to the individuals involved in this development will be saved for the summary speech in this debate, I do wish to take this opportunity to thank the Attorney-General, the Hon. Daryl Williams AM QC MP, who deserves great credit for his work during this demanding period of negotiation. I can think of no-one more deserving of the title of Australia’s first law officer.

The Commonwealth is confident that the agreement of 21 December 2000 will permit the establishment of a new system that will overcome the constitutional uncertainty in relation to the current Corporations Law scheme. It will be capable of uniform and efficient administration and enforcement.

It is intended that the new scheme will have effect from 1 July 2001.

The Corporations Bill and the Australian Securities and Investments Commission Bill 2001, and the enactment of related state reference legislation, will ensure that our national system of corporate regulation is placed on a sound constitutional foundation. It will reinforce Australia’s growing international reputation as a dynamic commercial centre creating wealth for our nation and its people.

I present the explanatory memorandum of the bill to the House.

Debate (on motion by Mr Fitzgibbon) adjourned.

AUSTRALIAN SECURITIES AND INVESTMENTS COMMISSION BILL 2001

First Reading

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

Second Reading

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (5.37 p.m.)—I move:

That the bill be now read a second time.

The Australian Securities and Investments Commission Bill 2001 is the second part of the package of bills introduced today to place Australia’s national system of corporate regulation on a sound constitutional foundation. I have already made detailed comments in relation to the package in the course of my remarks on the Corporations Bill 2001. I present the explanatory memorandum to the bill.

Debate (on motion by Mr Fitzgibbon) adjourned.

TRADE PRACTICES AMENDMENT BILL (No. 1) 2000

Consideration of Senate Message

Consideration resumed from 8 March.

Senate’s amendments—
(1) Schedule 1, item 28, page 9 (line 21), after “Part IV”, insert “(other than section 45D or 45E)”.  

(2) Schedule 1, item 28, page 10 (line 3), after “Part IV”, insert “(other than section 45D or 45E)”.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (5.38 p.m.)—I move:

That the amendments be disagreed to.

The Trade Practices Amendment Bill (No. 1) 2000 has come back from the Senate because the Australian Labor Party moved some amendments in the Senate that go some way to undermining the purpose of the bill and also have the effect of excluding the secondary boycott provisions from the ACCC’s proposed power to undertake representative actions under part IV. The Labor Party contends that secondary boycotts do not belong under trade practices law and instead should be dealt with in an industrial relations framework. The Labor Party questions whether the bill is for small business or for an industrial relations agenda. The Labor Party has failed to understand that already the ACCC can take actions under the secondary boycott provisions and may seek monetary penalties or injunctions. Equally, individuals may seek injunctions, damages or an ancillary order under the secondary boycott provisions. The government’s proposal does not provide the ACCC with powers in a new area or subject businesses to additional liability. Rather, the proposal makes it easier for affected businesses to gain the advantage of the secondary boycott provisions and the other provisions of part IV.

The Labor Party contends that the government could use the powers afforded to the ACCC in an ongoing ideological campaign. In fact, the ACCC has been in a position to take action against secondary boycotts since the current provisions came into effect in 1997, and in that time has undertaken only a handful of cases. Under section 29 of the act, a minister cannot direct the ACCC on part IV matters. I will say it again. Under section 29 of the act, the minister cannot direct the ACCC on part IV matters. If the Labor Party is alleging that the ACCC lacks independence, that seems entirely inconsistent with the rhetoric from the Labor Party over the past few months—years in fact, since the creation of the ACCC. My recollection is that the Labor Party created the ACCC. I would like to know whether the member for Hunter is now alleging that the ACCC is not an independent body.

Secondary boycotts can adversely affect both small and large firms. The power to undertake representative actions has the potential to benefit small businesses which may not have the time, the resources or the legal expertise to engage in often lengthy legal proceedings. The ACCC is often better placed to initiate proceedings on behalf of such small businesses. The representative actions amendment proposed by the government is about helping small business and was received with unanimous recommendation in the Baird committee report.

Small businesses can take actions under the Workplace Relations Act, but those actions are necessarily restricted to actions provided for by the Workplace Relations Act. The Workplace Relations Act does not give a small business the right to take actions arising out of an alleged breach of the anti-competitive conduct provisions, including the secondary boycott provisions of the Trade Practices Act.

I am sure the member for Hunter will be adding to this debate. We will be intrigued to hear what the member for Hunter is proposing in relation to the Labor Party’s treatment of this matter. We have on the record in Hansard a large number of comments from members of the opposition actually supporting this bill. They were supporting this bill when it went through this place. They were even expressly supporting—and I will refer to these a little later—the provisions that we are debating today. Accordingly, as the Prime Minister advised the House on 8 March this year:

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.
All the premiers of Australia supported the government’s position on this matter, in writing. The amendment which the Labor Party has sponsored in the Senate seeks to take out of the reach of the Trade Practices Act any reference to secondary boycotts. This is essentially, as the Prime Minister advised this House, the union escape clause. We are determined to persevere with the amendment. Accordingly, I will be intrigued to hear what the member for Hunter has to say.

Mr FITZGIBBON (Hunter) (5.45 p.m.)—
The Minister for Financial Services and Regulation, who is at the table, will not be surprised to learn that the opposition will be supporting the very sensible amendments to the Trade Practices Amendment Bill (No. 1) 2000 that were initiated in the Senate by both the Australian Labor Party and the Australian Democrats. I am angry—indeed, I am more angry now than I was when I came into this place this afternoon—because the Minister for Financial Services and Regulation, who is at the table, has just indicated to the parliament and to the Australian people, once again, that the government is prepared to put its obsessive hatred of the trade union movement well and truly before the interests of the small business community. I am angry because a number of small business initiatives contained within this bill have been begging for adoption since 1997. Now the minister at the table wants to accuse the opposition of jeopardising those initiatives.

This government claims to be a government of small business. It is the government that was going to cut red tape compliance for small business by 50 per cent, bolster cash flow for small business and bolster profits for small business. It is the government which promised the small business community it would abolish provisional tax. That must be the greatest fraud ever perpetrated on the small business community.

The small business community now knows that that initiative was no more than a timing difference, which was revenue positive for this government. There is one person who is conspicuous by his absence in the debate on this Senate message—the Minister for Small Business. Today, the minister verbally led the National Association of Retail Grocers of Australia when he said that he had met with them last night—you will not be surprised to learn, Mr Deputy Speaker, that I have met with them on a number of occasions this week—and suggested that the only submission they had made to him was that they rejected roll-back. That is not true at all. What is roll-back? Roll-back is rolling back the burden of the GST on the small business community, on the business community generally and, indeed, on the Australian community. Let me take this opportunity to clarify something. The Minister for Small Business has suggested on a number of occasions in this place that I had said that roll-back for small business comes at a cost to small business. What rubbish! What I did say—

Mr DEPUTY SPEAKER (Hon. I.R. Causley)—The member for Hunter knows the orders of the House. I think he is straying from the bill. He can use the House to clarify that issue at another time.

Mr FITZGIBBON—Mr Deputy Speaker, this Senate message on the Trade Practices Amendment Bill (No. 1) 2000 goes to the heart of protection for small business. I just make the point, therefore, that it is GST related. I clearly said that roll-back can come at a cost to government or it can come without a cost to government. Compensating small firms, for example, obviously has an impact on the budget, but simplifying a business activity statement comes at no cost to the budget at all. Indeed, lifting the ceiling on the simplified accounting method threshold—if the minister at the table wants to put to the House that that is an efficient method; that is, the snapshot truly reflects the workings of a mixed business, such as a grocer—should not come at a cost. There is roll-back that comes at a cost to government and there is roll-back that does not necessarily come at a cost to government.

I was hoping to share with the House what the minister had to say on this matter in the Courier-Mail this morning. He said that,
while he rejects compensation, he is willing
to consider other measures put forward by
NARGA—for example, the extension of re-
porting deadlines, or the extension of the
immediate write-off of GST related capital
purchases like computers for those grappling
with the GST. What are they? They are roll-
back. (Extension of time granted) The meas-
ures put forward by NARGA are rolling back
the burden of the GST on small business, yet
the minister comes in here today and tells the
House that NARGA have told him they do
not want roll-back. Well, he has misled the
House and he has misrepresented NARGA in
this place, and he should come in here and
apologise to them. NARGA have a wish list
of measures, some of which are eminently sup-
portable as a means of making the GST eas-
er for small business, but the minister tells
the House today that NARGA reject roll-
back. This morning, NARGA released a sur-
vey—which was the matter that brought
them to the House—of small business gro-
cers across the nation, some 285 of them—

Mr DEPUTY SPEAKER—Order! I fail
to see how this is related to the bill. If you
cannot speak to the bill, I will have to ask
you to sit down.

Mr FITZGIBBON—Mr Deputy Speaker,
these are related matters. This is a bill about
assisting small firms, and I am putting to the
House the environment in which small busi-
nesses are currently operating. You cannot
talk about the small business protection
measures within this bill without setting out
the environment in which small businesses
are living, under this new tax system. Earlier
in the MPI debate, I heard the member for
New England say that this is not a new tax; it
is a new tax system. I can tell you that that is
not the view of the small business commu-
nity; that is not the view I hear from small
business people as I travel the width and
breadth of this country.

Mr DEPUTY SPEAKER—Order! We
are debating the amendments which have
come back from the Senate. If we cannot
stick to those amendments, I will have to ask
you to resume your seat.

Mr FITZGIBBON—I am happy to turn
to those issues. But I will just quickly make
the point that that survey showed that small
business grocers are spending $6,000 in
compliance costs to collect and remit
$22,000 worth of GST.

Mr DEPUTY SPEAKER—the member
for Hunter—

Mr FITZGIBBON—Mr Deputy Speaker,
you asked me to come to the amendments
and I am happy to do so because, as I said
earlier, they are crucial to the small business
community. Indeed, as I said earlier, what the
government is doing today by rejecting this
Senate message is putting at risk all those
initiatives that have been begging for adop-
tion since 1997—from the date the Reid
committee made its recommendations to the
parliament. Here we are in the year 2001 and
we are still trying to get them through the
parliament. And why are we having diffi-
culty now getting them through the parlia-
ment? Because of the government’s intransi-
gence on this issue and because of their de-
sire to put their obsessive hatred—and we
hear it in question time day in and day out—
of the trade union movement before the in-
terests of small business. These are recom-
mandations which were adopted by the re-
tailing committee only two years ago and we
are still considering them.

The Minister for Financial Services and
Regulation, who is at the table, wants me to
got to the heart of the bill and I am happy to
do so. Of course, the most crucial initia-
tive—a unanimous recommendation—put
forward by both of those all-party commit-
tees was to confer upon the ACCC the power
to take representative action on behalf of
small businesses injured by actions of larger
We now know that the ACCC has the power
to take action against those large firms for
breaches of that act and to secure fines of up
to $10 million. That is the current law, yet
that is of no assistance to those small busi-
nesses that have been injured by that prac-
tice.

What those two committees wanted to do
and what the Labor Party—the opposition—
wants to do is confer that power on the ACCC. But what the government want to do is stand in the way again and throw in their attempt to give the ACCC power to take action against unions under the secondary boycott provisions. How disappointing it is that, finally, when we get this initiative before the parliament—(Time expired)

**Mr HOCKEY** (North Sydney—Minister for Financial Services and Regulation) (5.55 p.m.)—I feel sorry for the member for Hunter, because he got up here and had to swallow a very bitter pill. I remind the member for Hunter, as the shadow minister for small business, of his words in this place on 9 November 2000 at 1.22 p.m. when he said:

The ACCC already has the power to take representative actions under parts IVA and V of the act, and it makes sense to extend that to part IV.

This is about the Trade Practices Amendment Bill (No. 1) 2000 before the House. He said:

This is a sensible amendment and both the Reid committee and the Joint Select Committee on the Retailing Sector unanimously recommended it.

‘Unanimously recommended it’. The Labor Party were actually supporting the government’s position. When the bill was last in this place, the Labor Party actually supported the government’s position. On 9 November 2000 at 5.08 p.m.—just four hours later—the member for Swan said:

It gives small business more reasonable powers to be able to seek redress and fairness in relation to unconscionable conduct. It is a most important bill, given the lost opportunities the government has had since it came to power to amend and improve the Trade Practices Act. Small businesses are crying out for fairer competition laws ...

That was the member for Swan. A few days later, on 27 November 2000 at 9.45 p.m., the Labor shadow minister for defence, the member for Cunningham, said:

As I have indicated, they certainly chose to support the measure that the Trade Practices Act be amended to give the ACCC the power to undertake representative actions and to seek damages on behalf of third parties under part IV of the act ...

That is great. Labor certainly supported that.

I now call on the member for Cunningham to come in here and reaffirm the positions that they put to this House before, because the member for Hunter has not had the courage to do it. He is absolutely gutless. He has rolled over to the union movement and rolled over to the guy sitting behind him, the member for Brisbane, who was pulling the strings. He was rolling over to the union movement. And if there were any greater hypocrite than the member for Wills, the shadow Assistant Treasurer, who came into this place on 28 November—

**Mr Bevis interjecting—**

**Mr HOCKEY**—Do not take a point of order, buddy; I will argue it out. On 28 November at 4.51 p.m., the member for Wills came into this place and said:

The ACCC currently has the power in part IVA and part V, so this change will help make the act more consistent and help to protect small business people. Let me also indicate that I think these changes are very modest and that more action is needed in this area generally.

So we had the member for Wills saying that the government had not gone far enough, and now the Labor Party are saying, ‘Well, we’re opposing what the government’s going to do because it’s going to hurt our union mates.’

The number one hypocrite is sitting here—

the member for Brisbane—when he said:

... a backdoor method by the government in its ongoing ideological campaign in the industrial relations community.

The member for Brisbane should explain to the member for Hunter, the member for Wills, the member for Swan and the member for Cunningham why he stabbed them in the back.

**Mr Bevis**—Oh, Joe!

**Mr HOCKEY**—Oh, you are laughing at it. The member for Hunter is not laughing. He stabbed them in the back. Do you know why? Because the union movement pays for you to be here.

**Mr DEPUTY SPEAKER** (Hon. I.R. Causley)—Please address members by their seats.

**Mr HOCKEY**—It is the most disgraceful act of hypocrisy for the Labor Party mem-
bers from Cunningham, Hunter and Wills to come into this place and say that the government has not gone far enough and then for the union mates of the shadow minister for industrial relations, the member for Brisbane, to pull the strings and say, ‘Hang on, why should small business be protected when we’re in a dispute with them? Why can’t we crush small business?’ I am going to remind you, the Labor Party, of this from this day forward. My colleagues are going to remind all the Labor Party people out there who are running against them from this day forward of their hypocrisy. (Time expired)

Mr FITZGIBBON (Hunter) (6.00 p.m.)—The Minister for Financial Services and Regulation’s feigned anger is very theatrical, but it does not impress me, and it does not impress the small business community. I will show you the amendment which Labor has put forward that should prevent small business getting access to these new provisions. There it is: there is the amendment we are putting forward that prevents small business access to these very important initiatives of two all-party committees reporting unanimously! There is nothing the Labor Party has before either the House or the Senate that would prevent the minister at the table simply saying, ‘Let us get on with the matter at hand. Let us extend to the ACCC the power to take representative action on behalf of the small business community.’

I challenge the Minister for Financial Services and Regulation—I listened to you, Minister; you come back and listen to me—to show me in the transcripts or in any consideration of either the Joint Select Committee on the Retailing Sector or the Reid committee where the secondary boycott provisions of the Trade Practices Act were even mentioned. What we are debating today is the adoption of some very important small business recommendations. At no point did either members of those committees or anyone appearing before those committees—anyone whatsoever—express concern about the secondary boycott provisions of the Trade Practices Act or ask either of those committees to please extend to the ACCC the power to take representative action on behalf of small business for breaches of section 45D and 45E.

What those committees did consider, over and over again—also ad nauseam—was the way large firms sought to misuse their power in breach of both sections 46 and 47 of the Trade Practices Act. That is what we should be debating today: whether the parliament wants to heed those requests of the small business community and extend that power to the ACCC or whether the government wants to put at jeopardy all of those eminently supportable initiatives because of its obsession with the trade union movement. So it can do one of two things: it can dig in on this and deny the small business community those initiatives or it can just concede that it has lost this one, pick up the opposition and Democrats amendments and allow small business to get on with it.

We are talking not just about the representative actions provision but also about a range of recommendations flowing out of mainly the retailing committee. One of those very important initiatives is of course the raising of the transaction limit under section 51AC of the Trade Practices Act, but the minister at the table wants to vote that down today so that he can get at the unions; another is the insertion of the term ‘regional market’ into the merger provisions of the Trade Practices Act, something which would take care of the growing concern about creeping acquisitions of players like the major retailers in regional Australia, make that merger provision more effective and extend greater protection to the small business community. But the minister at the table wants to vote that down today because of his obsession with the trade union movement. As I said before, we see it in question time day in and day out.

The next initiative contained in this bill is the so-called savings provision, which will allow the states and territories to draw down section 51AC of the Trade Practices Act. Let me give this example. Sandra Nori, the New South Wales Minister for Small Business, has had retail leases amendments before the Governor of New South Wales now since
December 1998—sensible amendments to their retail leases legislation which would enable them to take action under a mirror of section 51AC of the Trade Practices Act.

(Time expired)

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (6.05 p.m.)—No matter how many times the member for Hunter can jump to his feet he cannot explain this one. He knows he cannot. He is in an invidious position, because he came into this place saying, ‘With the protection for small business we give a big tick—long overdue.’ But he had not consulted with the puppeteer behind him, the member for Brisbane—who is laughing in a sinister way. We even had another member of the shadow ministry, the shadow assistant treasurer, come into this place 20 minutes before the member for Brisbane and say, ‘This doesn’t go far enough.’ Then the member for Brisbane says, ‘Wait, I have been told by the union movement. I am sorry, we do not like this protection for small business because it in fact gives power to the ACCC to protect small business and, after all, we are about protecting our mates in the union movement.’

What is the member for Brisbane going to say to the member for Hunter when the member for Hunter has to front up to all of those small business groups and all of those small businesses and explain why the Labor Party is opposing ACCC protection for small business? Because that is what the Labor Party is doing today. It is opposing protection for Australia’s small businesses from the union movement from a range of other secondary boycott provisions. It is opposing protection for small business afforded by the ACCC. Why would the Labor Party do that? Strike me dead—why would the Labor Party seek to protect the interests of the big unions ahead of Australia’s small businesses? Could it be that 90 per cent of the members of the parliamentary Labor Party are in fact from a union background instead of a small business background? Could it be that at the end of the day the Labor Party is about protecting its mates instead of giving some form of protection to Australia’s small businesses?

How disappointing it must be for Australia’s small businesses! I think everyone is concerned about their plight. Yes, we as a government want to do what we can to help Australia’s small businesses through their problems. Yet the Labor Party are more about protecting the unions. If you ever needed any evidence that would stand up to the test of time, it is when the Labor Party are being asked to vote on whether they are going to protect their mates in the unions or protect Australia’s small business people. The Labor Party are going to have to front up today to what they said in the Senate—that is, we want to know how they are going to explain to small business the real impact of their decision making.

I challenge the Labor Party to divide on this. We will see if they have got any guts, any courage. We will see how much backbone the member for Swan, the member for Wills and the member for Cunningham have to protect Australia’s small businesses ahead of their mates in the union movement. We want to divide on this; we want individual votes on the record. We do not want any cowardice from the Labor Party. They are so familiar with that when it comes to protecting their mates in the union movement. They are right there, shoulder to shoulder, into the pits, saying, ‘Let’s defend our mates in the union system; let’s screw Australia’s small businesses.’

The ACCC should not be protecting small businesses. If anything, the ACCC should be protecting the Labor Party’s mates in the union movement—because at the end of the day the union movement pays the Labor Party’s bills. We have heard in the House just how much money the union movement gives to the Labor Party for their re-election. Now is truth time. The Labor Party have to have some courage. I would like to hear the member for Brisbane and all the other members—the member for Swan, the member for Cunningham and the member for Wills—explain their hypocrisy. I said to the member for Brisbane that he is not a hypocrite, because he has always been sleeping with the union movement. (Time expired)
Mr FITZGIBBON (Hunter) (6.10 p.m.)—Mr Deputy Speaker, through you, I can tell the Minister for Financial Services and Regulation at the table that he will hear from the member for Brisbane, and I am sure he will hear from the member for Denison, who I know has a strong interest in this issue. But I will tell him what I will tell those small business groups, as I go to their breakfasts, luncheons, dinners and forums around the country over the next few months. I will say to them that they have waited since 1997 for these all-important amendments because of government intransigence and a government obsession with the trade union movement.

I sat on the retailing committee and, since the retailing committee reported, what I and the Labor Party have done is to go one step or even three steps further than this government. We have been prepared to say that we will adopt all of the recommendations of the retailing committee, including a mandatory code and the principle of like terms for like customers in that code. We want to revisit retail lease issues, a huge issue for small business around this country. But I will tell them that, unfortunately, they still do not have those provisions available to them because the government refuses to let the bill through the House of Representatives. I will tell them that Sandra Nori, the small business minister in New South Wales, has been waiting since 1998 for those savings provisions to protect her retail leases amendments from constitutional challenge because of the government’s intransigence and their excessive hatred for the trade union movement. I should point out that almost a year ago now I came into this place with a private member’s bill that would have made an amendment to the Trade Practices Act and that would have given Sandra Nori that opportunity—and of course the government rejected my private member’s bill. Indeed, I attempted to do the same thing during a debate on an earlier trade practices amendment in this place.

The government rejected my private member’s bill, and then, literally months after, they finally decide that they are going to support my bill by introducing their own government amendments to the Trade Practices Act. But, instead of bringing them in on their own, what they do? They lump them into this bill along with about 20 other amendments to the Trade Practices Act, amendments which also go to an important enhancement of consumer protection, additional penalties and stronger powers for the Federal Court. They lump them all in together, and Sandra Nori is still waiting. So, when I go to New South Wales forums and people at those forums ask me what is happening with the savings provisions which will allow Sandra Nori, the minister in that state, to have her new laws put into place, I will tell them the same thing once again: they are still waiting because of government
intransigence and their excessive hate for the trade union movement.

The House will rise at the end of this week and, other than for a largely ceremonial sitting in May, will not come back until, I think, the first week in June. So when will small business get their relief? They have been waiting since 1997. All the minister has to do today is say, ‘We will carve out the secondary boycott provisions from this bill; we will let the other 19 or so amendments through the House so small business and the consumer can get on with it.’ (Time expired)

Mr HARDGRAVE (Moreton) (6.15 p.m.)—Nobody on this side has an intransigent hatred of the trade union movement. What we have on this side is a tremendous sense of support and understanding for both the small business sector and the average Australian worker, because what this side of the House understands is that there are 50,000 or more jobs sitting out there that could be created tomorrow if the Australian Labor Party were not so tied to the trade union movement. When I say ‘trade union movement’, I am talking about the people who drive around in the flash cars with the big pay packets generated by the amount of money that is brought together from the subs taken out of the wages of the average worker. Fair dinkum—if the union bosses really did care about the average worker, they would get out of the way of the government on the secondary boycott provision. They would also get out of the way of the government with regard to the unfair dismissal laws which, again, for the 10th time, have been knocked off in the Senate.

This is not a bad fortnight for the Australian Labor Party. Last week they knocked off the unfair dismissal changes to the workplace relations bill for the 10th time. Small business in my electorate are lining up for the Australian Labor Party on this issue with baseball bats in their hands. I can prove that, because the latest edition of the Southside Chamber of Commerce newsletter has an editorial on the front page talking about just that. It is interesting to note that they summed it up by saying, ‘It’s easy to work out who your real friends in Canberra are.’ This is not a paid-for advertisement by the Liberal Party; this is in fact the assessment of an independent organisation, a chamber of commerce. It is not a chamber of commerce in the way that Sydney, maybe Newcastle and Melbourne operate; this is a chamber of commerce that represents small businesses—micro businesses more often than not—businesses that are working on the basis of care and concern for their workers, businesses that have as their proprietors people who say, ‘If I’ve got three people on the books, I’ve got four mortgages to worry about.’ That is the sort of business organisation that we understand on this side of the House, whereas every small business matter that those opposite have undertaken has always been about corralling small business, putting a lasso around small business, putting a noose around small business and dragging them down a certain path. When the Australian Labor Party were last in office, they used to offer small business grants on the basis that you actually gave up some of your rights as a small business operator, that you signed away certain details about how your business worked, that you gave up some of your basic rights and the way in which you wanted to run your business in order to get assistance from the government. That is not how this government works.

The Reid report understood that. The Joint Select Committee on the Retailing Sector also understood all of that. It is interesting to note that, on 9 November last year, the member for Hunter understood that too. He was suggesting that the amendment that has been knocked off by his colleagues in the Senate today was in fact a sensible amendment. That was at 1.22 p.m. on this famous day, 9 November. In fact, the member for Swan, Mr Wilkie, then chimed in with his own assessment, which said that small businesses are crying out for fairer competition laws—in brackets, ‘let’s get on with it’. Then the shadow minister for defence, the member for Cunningham, said on 27 November—

Mr Hockey—Where is he? He’s a coward.
Mr HARDGRAVE—He is such a shadow minister that he is shadowed out of here. He was also saying that Labor certainty supported that. Then we had the shadow Assistant Treasurer, the member for Wills—

Mr Hockey—Where is he?

Mr HARDGRAVE—He is not here either—another shadow that has disappeared out the door. You put the lights on and the shadows disappear! They work all right in dark rooms but they are no good in the bright lights—they are like rabbits. The member for Wills said, ‘Let me also indicate that I think these changes are very modest and that more action is needed in this area generally.’ But 21 minutes later, as the minister’s press release says, the unions got on the blower—like Gepetto to Pinocchio, the puppet’s strings were pulled—and they said, ‘Dance this way; knock it off.’ As for the member for Brisbane, the Southside Chamber of Commerce will write to you over this, Arch. They said, ‘Knock it off,’ and 21 minutes later Labor did.

There is no doubt in the minds of people on this side that we stand for the average worker and we stand for the creation of more jobs—we know that the small business sector knows it too. We understand that secondary boycott provisions are some of the absolute fundamentals of stupidity but are an article of faith for those opposite. What the union bosses say, they do. They should declare that vested interest every time that they speak on any matter in this place. (Time expired)

Mr KERR (Denison) (6.20 p.m.)—I have enjoyed the contributions of the theatrical minister and the peripatetic member for Moreton, who is going to enjoy the remaining eight months of his term in federal parliament.

Mr Fitzgibbon—Eight months! Will it be that long?

Mr KERR—It will be if the Prime Minister does not hold an election sooner. The member for Moreton will spend whatever months remain in the privileged occupation of travelling overseas. Let us get this bluntly straight: the government’s position in rejecting the Senate amendments is putting politics above the national interest and above the interests of the small business constituency. There is no-one who has been more responsible for the substantive legislation before the House than the member for Hunter. This legislation, with the provisions built into it to deal with the kind of exploitation that small business has been concerned about—exploitation by large businesses misusing their market power—would not be before this parliament whatsoever but for the urging of the member for Hunter. This government is out of touch. It is a government for the big end of town.

So what do we do when we are confronted with a government that governs in the interests of the big end of town? How does it act when it is confronted with a dilemma, when eventually the squealing from its own constituency becomes so loud that even it has to act, that even it realises it is completely out of touch? It decides that it is going to tag this legislation with a provision that it knows is unacceptable to the other parties in the political process. We know what that means.

Government members interjecting—

Mr KERR—I have heard some rubbish in my life, but the interjections that are being made—as if this parliament has rejected this legislation on the instructions of the trade union movement—are the most absurd that I have heard. Greater nonsense I cannot imagine. We have heard allegations that the puppet master, the member for Brisbane, has come and pulled the strings on the members of the Labor Party. I would just like to hear how the minister and the other speakers in this debate suggest that he has been able to manipulate the Democrats. It was not the Labor Party that rejected this legislation. The Labor Party made their position clear in 1998 in relation to similar legislation—that we would not proceed with legislation that infringed in relation to those particular matters that this government is now saying are necessary. We had made it absolutely plain in 1998. So the government decides to tag on to legislation that it does not really want to be before this parliament because it offends its
business interests, the big end of town that it represents, something that it knows will not have the support of the Labor Party. But then how does it suggest that the puppet master has operated to persuade the Democrats? I have not heard that. The Democrats oppose this legislation also. The reason this is back before this House is that both the Labor Party and the Democrats have joined together to say that the principles that this legislation needs to implement are those to protect business in the marketplace against the transgressions of large business. So, to disguise its objective that this legislation not pass at all, it tags this legislation—

Mr Hockey—Bring it on for a vote. Let’s have a division. Come on.

Mr KERR—If the Minister wishes to abuse the processes of the parliament, I suggest he shut his mouth long enough to listen to what the Democrats actually said. Senator Murray said:

The Democrats believe that the Labor Party amendments are appropriate and will still deliver a very positive outcome indeed from a bill that is long overdue.

There is no courage in this government whatsoever, because what they are doing now is putting off the legislative agenda legislation they say they support but which they really do not—legislation which now will go into cold storage. They are protecting their big business mates, not putting their big business mates into any position of difficulty, saying that they support small business people but at the same time trying to drag up this furphy, which they will run until the next election, about union power. It is a furphy that the Australian community will not accept.

Mr Hockey—We will letterbox every small business.

Mr KERR—Every small business needs to know that the interest of big business is being put first by this government. The interest of the big end of town is being put first by a government that is completely out of touch. (Time expired)

Mr RONALDSON (Ballarat) (6.25 p.m.)—I was sitting in my office attending to Chief Whip’s duties when I heard the duplicity of the Australian Labor Party in relation to this issue. Deary, deary me! Talk about duplicity: this is the absolute mother of all duplicity. This is an absolute corker. How dare the member for Denison have the gall to come in here and not once but twice try and convince people—he has not even convinced himself, let alone anyone on this side—that it was the fault of the Democrats. I suspect the big difference between the Democrats and the Labor Party is that the Labor Party have changed their mind and the Democrats have not. To say the Labor Party have had this position since 1998—what a lot of patent nonsense! He is a bloke whose company I enjoy on a personal basis but, goodness me, has he fixed up the shadow minister for industrial relations, or has the labour movement fixed up the shadow minister for industrial relations, who has then fixed up his own colleagues?

Where is the member for Swan? Small business are crying out for fairer competition laws. Labor certainly supported that, talking about these amendments, talking about providing some relief for small business. The single most fundamental obligation of this parliament is to support the wealth generators of Australia, the people who are working 50, 60 or 70 hours a week, often running small family businesses, the ones who have quite rightly demanded assistance from this parliament. And all of a sudden the union masters have grabbed the shadow minister for industrial relations, who came in here some 21 minutes after all his colleagues had been waxing lyrical about the effectiveness of this legislation: why wasn’t it done earlier? They demanded more action. All of a sudden, back we go, sliding out backwards very quickly.

I reckon I could tell the shadow minister for industrial relations the best joke he has ever heard and he would not laugh at the moment. He has been stony faced for the last 25 minutes. If you made a mistake and this did not go through shadow cabinet, and you actually said what you thought but you no longer think it, say so. We cannot promise that we will not tell small business what you
did, but what we promise is that we will let you gracefully say, ‘If I’d known what the trade union movement was going to say to the shadow minister, my colleague, I wouldn’t have said what I said in the House. I’ve made a dreadful mistake. If I’d known what my marching orders were going to be, I wouldn’t have gone down the path that I did to support a very sensible measure for small business.’ Now is the time to stand up and say, ‘I’ve made a mistake. I have potentially wrecked my career by not listening to what the shadow minister said, but now we will do it.’

All jokes aside, this is an extremely serious matter that the Australian Labor Party should not and will not be allowed to squirm out of. It is on the public record that they support this piece of desperately needed assistance for the Australian small business community. It is there in black and white. It is there in our bible, and our bible is *Hansard*. It is the written record of this place that tells no lies. It is the one piece which every member, when they receive what we call the greens, which is the first draft of the speech, has the opportunity to amend or alter if they have not been correctly quoted. It is the one opportunity to make sure that our bible, *Hansard*, tells the truth and accurately reflects what has been said. *Hansard* says what is there. *(Time expired)*

**Mr BEVIS (Brisbane) (6.30 p.m.)**—The refuge of all Liberals who are without policies and who are facing defeat has always been to fire up the old ‘reds under the bed’ line in one guise or another, and that is what we have had in this debate. The reason I actually came into the chamber was that the next item of government business the chamber is to deal with is industrial relations law, and I am going to contribute to the second reading debate. I had not anticipated the theatrics and the enjoyment that I was about to observe—and now participate in—but, given the way in which this debate has gone, I think it is important that a few points be made. Today we had the traditional refuge of the scoundrels in the Liberal Party, facing defeat and without policies, off to the attack—reds under the bed, unions running this or that. We all know in this place that the Minister for Financial Services and Regulation, who is at the table, is never going to be accused of hiding his own sense of self-importance—no matter what others may judge it to be—under a bushel. But, Minister, you have no need to be humble. You are simply not that important.

We have just been told by the Chief Government Whip that we have, in his words, ‘our bible’, the *Hansard*. The minister at the table has done a good deal of quoting from that—fairly selectively, I might add—so let me extend the record by also quoting from *Hansard* when the Trade Practices Amendment Bill (No. 1) 2000 was last before the House of Representatives on 28 November 2000. At 5.12 p.m., I made a contribution to the second reading debate on the bill and said:

> The specific issue, though, which I briefly want to make mention of is the aspect of the bill that seeks to extend powers to the ACCC to conduct representative actions under part IV of the act. The Labor Party have supported that, as has been mentioned. However, we have made it clear for many years—I emphasise that: ‘for many years’—that the Labor Party do not believe that the secondary boycott provisions should be dealt with under trade practices law. We have made it clear, as we did when we were in government and when we legislated in government, that those matters should be dealt with in an industrial relations framework. When these matters come forward in the Senate—

And this is what I said on 28 November—

> it is our intention to move amendments to carve out the secondary boycott provisions from this bill so that it is clear that the wider, more extensive powers that the bill affords the ACCC are not used as a backdoor method by the government in its ongoing ideological campaign in the industrial relations community.

There will be some people on the government benches who think it is unfair for me to allege that the government would use a backdoor method of another piece of legislation to maintain its ideological campaign, so let me give you another example of precisely
where that happened. It was not that long ago that the parliament had before it a bill to establish a magistrates court, a proposition that was supported by both sides of the parliament to deal with an overflow of work. What did the government decide to do, though? The workplace relations minister at the time rolled the Attorney-General in cabinet and slipped into that legislation a proposal to enable that newly appointed Magistrates Court to deal with a range of the most sensitive industrial relations matters that are currently dealt with by the Federal Court and the High Court. That was a deliberate manoeuvre that we opposed and had the support of the majority of the Senate to oppose.

So keen was the government to pursue that that the minister at the time, Mr Reith, went to the Senate chamber and stood at the door to grab and harass the Democrat senators as they walked in—mind you, this is a bill to set up a magistrates court—because the agenda that they were trying to slip in had nothing to do with the proper purposes for which the Magistrates Court was being created. The government’s agenda was at every opportunity to subvert good public policy as part of that ideological campaign, and they are up to the same game here. In concluding my speech on 28 November, I gave the government the opportunity to demonstrate that their bona fides were reasonable, and I said:

I want to make it clear that the Labor Party will not be supporting the bill with the secondary boycott provisions contained within it ...

And there is no news in that. The government tries to make some play out of comments that have been made, but that has been the Labor Party’s position for years—not for weeks or for months but for years. There is no change in any of that. I said at the time that they would have an opportunity to demonstrate their bona fides when the matter came back before the parliament and the matter was dealt with in the Senate. (Time expired)

Mr IAN MACFARLANE (Groom)—To be called back to the House on this matter is just sheer amazement to me. It amazes me that we have a shadow minister for small business who pretends to be an advocate of small business until the unions knock on the door, and then he just disappears. The Trade Practices Amendment Bill (No. 1) 2000 is about protecting consumers and small business. That is what it is about: it is about protecting small business.

Opposition members interjecting—

Mr DEPUTY SPEAKER (Mr Hollis)—Order! The minister has the call.

Mr IAN MACFARLANE—The shadow minister opposite accuses me of misrepresenting in the House today the opinions of NARGA. I just want to read the transcript of the NARGA press conference today so that the facts go into Hansard. Listen carefully:

Question: Would roll back of the GST ease the burden?

Sam Richardson: No.

Allan Mackenzie: No.

Sam Richardson: We’re not talking about roll back. We’re talking about simplification and compensation.

Alan McKenzie: What the survey showed clearly was that most of our members want the GST on everything, which is what we warned right at the outset.

Sam Richardson: We supported that.

Alan McKenzie: Because it makes it simple to administer—relatively simple.

Who complicated the GST? The Labor Party. They who say they are interested in small business are the ones who blocked the legislation. They are the ones who have caused these complications. Alan McKenzie goes on:

There are still compliance costs, but it’s a relatively simple system... Put the GST on everything. If necessary reduce the rate.

So roll back worries us. We don’t know what roll back means at this stage.

I know what roll-back means. The member for Hunter knows what it means. He knows that it means more cost for government because he said it in this House. He knows that it means more cost for small business because he said it on his radio program. It is
both—it is more cost for the government and it is more cost for small business. He admits it and he has just agreed with it again. This action today by the Labor Party is typical of the disdain they have for small business. One union knock on the door and they just run away from this pretence that they are here to protect small business. As the member for Moreton said, ‘The shadows stop when the lights come on.’ He stops being the shadow minister for small business the moment the unions turn the lights on. The Labor Party just disappear into the ether. Their cares and concerns for small business just disappear. Twice in a fortnight they have been found out. They had the opportunity to give small business something that small business has been asking for in terms of unfair dismissal legislation. Small business has said that that will create 50,000 jobs. So what did the Labor Party do?

Mr Bevis—Do you believe it?

Mr IAN MACFARLANE—I believe it will create jobs. The member for Hunter described our attempts to introduce unfair dismissal amendments as futile. That is his opinion of small business—it is futile to help small business. Then he does it again on this legislation. He just rolls over to the unions. The light comes on and the Labor Party disappear.

Mr Hardgrave—That line is getting quite a run!

Mr IAN MACFARLANE—I think it is fantastic. I could not possibly describe it better myself. Then, the shadow minister comes in here and claims misrepresentation, when clearly it says here in the Media Monitors transcript that NARGA does not support roll-back, they do not want roll-back. They want roll-forward. They do not want the complications that roll-back brings. They do not want the complications of wave after wave of change. They are starting to wonder even about the Labor Party’s so-called promise on compensation. It is the usual story. Whenever the opportunity presents itself for the Labor Party to score a cheap political point out in the arena they are there first up. When they have to actually get behind it and back it up, when they have to support legislation and help small business, they just run away and leave small business to swing.

Mr FITZGIBBON (Hunter) (6.40 p.m.)—I commenced my contribution to this debate on this set of messages by posing the rhetorical question: where is the Minister for Small Business? I asked: where is he on this all important debate? I know he is a new minister but I think you could count on one hand how many times the minister has felt it necessary to run into this place during a debate of this kind—and so far into the debate, some 40 minutes into the debate—to defend himself. Then he ran in waving around a transcript with the highlighting pen all over it. He is at risk of becoming known as the minister for transcripts. All he ever does is collect the transcripts from his advisers, already highlighted for him, and come into this place and share that information with the House. You may have noticed, Mr Deputy Speaker, that since this debate commenced the advisers’ box has become fuller and fuller. They rushed in here when they heard the Minister for Small Business had taken the decision to come in here and defend himself against those claims I made earlier in the debate, which were eminently true. I have consulted NARGA and they say they are happy to refute the comments of the Minister for Small Business when he says that NARGA told him that they do not want his roll-back. What I said earlier was this: roll-back is about rolling back the burden of the GST on the small business community generally. I welcome him into the chamber. I am pleased that he has run in to defend himself from the outrageous action of his government. They talk about being rolled. We know who has been rolled on a number of occasions. The Minister for Small Business does have some empathy for small firms, but on every occasion the Treasurer steps in and says, ‘We are doing nothing for small business, old son.’

I want to build on a concept that emerged in the contribution of the member for Denison, and that is this concept that the real hidden agenda here, the secret agenda, is that
the government never wanted a retail inquiry. Labor was first to commit to an inquiry into the retail sector prior to the 1998 election, and the government was dragged screaming. When re-elected they said, ‘What are we going to do now? The big end of town have been on the phone; they do not want any amendments to the Trade Practices Act which are going to enhance small business protection. What will we do? We will have to have an inquiry. We’ll give it to the member for Cook.’ It was the poisoned chalice—‘We’ll give it to the member for Cook, but we will make it clear to the member for Cook that he should not expect to do anything serious with that committee. He should not expect that we are serious about enhancing small business protections under the Trade Practices Act.’

The member for Cook thought he had got a promotion. He had been looking over the shoulder of the Minister for Sport and Tourism for some time. He thought this was his big chance, his leapfrog onto the front bench. But only hours into the inquiry, after a few phone calls from the big end of town, the member for Cook came to the conclusion—it was revealed to him quite plainly—that he had been handed the poisoned chalice. That has been confirmed since by the government’s refusal to adopt—embrace—the recommendations of the retail committee in their totality. We have seen that already. What we have also seen, of course, is the Labor Party’s preparedness to adopt them in their totality.

Here is the real agenda. Let us not have this feigned anger, this feigned outrage. The fact is the government never wanted a retail committee inquiry. The government does not want to enhance those small business protections under the Trade Practices Act, so it wields the big union stick again and uses that as an excuse to avoid the natural consequences of the adoption of this bill. The minister at the table should rise now and make a decision. He can extend these small business consumer protections, this week, in this parliament—protection provisions that the small business community has been waiting for since 1997. (Time expired)
Mr Bevis—Mr Deputy Speaker, I rise on a point of order. I am quite happy to entertain the minister but he might like to read the standing orders; he does not need leave.

Mr HOCKEY—If I do not need leave, I am happy to table it. Okay, tabled. Thank you. We are tabling the *Hansard* with my press release.

Mr Bevis—Wow, put out a press release on that, Joe!

Mr HOCKEY—Mr Deputy Speaker, the key part about this is that that completely reveals the Labor Party for what they are: hypocrites. You have got to feel sorry—and I keep saying this—for the member for Hunter who was in here beating his chest saying that the government’s amendment was fair and reasonable and had the unanimous support of the Baird committee and the Reid committee. You have to accept that the member for Wills, at the time, was quite genuine when he said that the government had not gone far enough in protecting small business and that it should go a little further. You have to believe the member for Cunningham who said, ‘We genuinely support the government’s amendments.’ You have to believe the member for Swan who said, ‘We support the government’s amendments.’ But then in walks the member for Brisbane. And, true to form, 19 minutes after the member for Wills said the government does not go far enough, the member for Brisbane comes into this place and says, ‘Oh no, the government has gone too far. We’re changing tack, we’re going to oppose this provision.’ You know what it is? It is the provision to protect Australia’s small businesses. It is to give them the full protection of the ACCC—the Australian Competition and Consumer Commission—when it comes to secondary boycotts. It is a perfectly logical proposal. A lot of small businesses do not have the resources to protect themselves in court when a secondary boycott occurs. They might not have the legal team that has the capacity to deliver that support for the small business.

Mr Hardgrave—They are up against the unions.

Mr HOCKEY—They are up against some extraordinarily powerful enterprises, particularly, obviously, the largest of the unions. Why wouldn’t we seek to protect small business?

Mr Fitzgibbon—Let it through, then. Let the amendment through, support the amendment.

Mr HOCKEY—Why wouldn’t we as a parliament—all the members of this place—try to protect small businesses, particularly those who cannot afford to protect themselves in the case of secondary boycotts? The member for Hunter supported it the first time around, now he comes back and says, ‘No, we are going to pull it out because it hurts our union mates.’ The hypocrisy runs deep in the Labor Party. The member for Hunter has been squirming throughout this debate. We want a division. We want to see the member for Cunningham and the member for Swan and the member for Wills come into this place and explain themselves, because they are hypocrites. They are hypocrites if they think that what they are doing is protecting small business today.

Mr DEPUTY SPEAKER—Order! The minister knows that he cannot refer to individual members as hypocrites. He can refer to that in a generic sense.

Mr HOCKEY—Sure, I am happy to do that.

Mr DEPUTY SPEAKER—I feel I should put the question again that the amendments be disagreed to.

Mr BEVIS (Brisbane) (6.50 p.m.)—There are only a couple of things I want to say in relation to this. Firstly, the provisions we are dealing with that are in dispute are not just in dispute between the government and the Labor Party; they are in dispute between the House of Representatives and the Senate. A majority of the Senate do not support the government’s view on this—not just Labor senators but a majority of the Senate. The issue in dispute is dealing with secondary boycotts. The minister at the table, or indeed any of the other government members, might like to set out how many secondary boycott
actions there have been over the last four or five years.

Mr Hockey—I did, in the second reading speech.

Mr BEVIS—They are very few in number. There are a couple of observations we can all make that are not necessarily partisan. One is that this bill does not have the confidence of the parliament. It does not have the support of the Senate.

Government members interjecting—

Mr BEVIS—that happens to be a matter of fact. It does not have the support of the Senate.

Mr Hockey—All of your members were up here supporting the bill.

Mr BEVIS—It will fail in the Senate.

Mr Hockey—They supported it—your mates!

Mr BEVIS—Joe, it is not a point of argument; it happens to be a historical fact and a likely event in the near future. This does not have the support of the Senate. That is why it is back here now—that is a statement of the obvious. It also happens to be the case that the bulk of this legislation is in fact supported by an overwhelming majority of the parliament. It is also the case that the business community—who, we are agreed, deserve that protection, at least in the range of the bill where there is common ground—would want that much of the protection to be afforded them as quickly as possible. If we were fair dinkum about taking the politics out of it and dealing with the issue, the government—and it would let the legislation go through, as the parliament will allow it to at the moment, and introduce a fresh bill to deal with the area of contention. In doing so, it would demonstrate its commitment to its rhetoric and it would also provide to the business community the protection which they want.

The business community will understand that very easily. They will know that protection could be afforded to them now and the politicians, as they would see it, can argue about the remainder. Depending on the view, some in the business community will take the government side and some in the business community will take the Labor side, but all in the business community would say that the bulk of the legislation which is common ground should be allowed to proceed through the parliament. If the government persist with their current tactic—as they tried to, for example, when they joined the petrol tax measures with the alcohol rebate, and this is the same tactic here—

Mr Kerr—A cunning plan.

Mr BEVIS—Indeed, as the member for Denison points out, another one of Baldrick’s cunning plans. If the government persist with that same tactic—although they understood it did not work when they had a higher profile issue of petrol and alcohol taxes joined—this is the same tactic the government are endeavouring to engage in today and the business community will understand that very easily. The government have an option here to get the great bulk of this legislation through the parliament with bipartisan support, or they can persist with that tactic, as they tried to with those other measures, and they will fall over. Then the politics will start and they will try to blame us and that will be the way it will all pan out. But the business community will see through that because, whether they support Labor or the Liberal Party, the business community know that what I just said is absolutely correct. If the government want the passage of this bill, they know what they can do and they can have the debate on the contentious areas separately. I suspect they will not, not because they do not support the other measures that are agreed; they will not because they are bound by a commitment at every opportunity to find another stick with which to pursue an industrial relations agenda—a foolish tactic that will cause this bill to fall over if they persist with it. The ball is in their court. The government have the opportunity to do the right thing by the parliament and by the small business community and that opportunity is here for them now. Blow it now and the business community will have to wait until the next election when a Labor government will put it through.
Mr Kerr (Denison) (6.55 p.m.)—I want to pursue that theme again because it is an important point for us to have clearly in our minds with this Trade Practices Amendment Bill (No. 1) 2000 before this House. This is another exercise of this government putting their political interests above the interests of small business; it is another instance of this government putting their political interests against the national interest. This legislation can be divided simply so that those measures which have been adopted in the House and have been supported in the Senate pass into law today. But, instead, the government are refusing and sending this legislation back into the Senate. Why are they doing that? They are doing it to pursue a political strategy, not to achieve an outcome that they say they are seeking to achieve. I believe it is more malignant than the Baldrick cunning plan with respect to petrol and with respect to the excise on beer, because essentially the government have shown time and time again that they are prisoners to the interests of the big end of town, to big business. They were forced into an inquiry only by the indefatigable efforts of the member for Hunter, who created a campaign issue at the last election about the way in which the large business sector was abusing its market power with respect to small enterprises. As a response to that, there was an inquiry which presented the government with the dilemma: how do we actually say we support these measures that will give small business an opportunity to have a greater influence in the marketplace but at the same time actually torpedo its passage into law? What they did to create this cunning plan, to tag this measure, was something which the Labor Party had previously opposed when the government had sought it in other legislative mechanisms in exactly the way the member for Brisbane has described. This is not a novel instance where the government have sought to tag this particular measure to legislation. They knew that this particular measure would be opposed by the Labor Party. As it transpires, it is also opposed by the Democrats, against whom no-one can suggest that there is any malign union influence or pulling of strings, or what have you.

This now presents us with a situation where this government have got themselves a little bit of a smokescreen, a little bit of a cover, so that they can go to the big end of town and say, ‘We have served you well. We have found a mechanism where we can transfer the blame that small business will attach to the delay of this legislation to the Labor Party and we can have clean hands. Here we are; we have brought this legislation forward. It has been opposed by others and, therefore, it need not pass into law. We have somebody whom we can scapegoat.’ That will not wash with any intelligent commentator. That will not wash with anybody who understands the history of this matter. It will not wash with the small business industry lobbies which know that this legislation would not be before this House but for the fact that the ALP committed itself to an inquiry into market abuse by large firms.

What we do have is the worst element of a government staring defeat straight in the face. What is it saying to us? If this legislation goes back to the Senate and is defeated again, is it really saying that it is proposing a trigger for a double dissolution election? What an absurdity. This government is on its knees, smacked about the face by a resistant community who know that the introduction of the GST has ratcheted up their costs, increased the difficulty of doing business and are confronting this government every day with demands for improvements in the way in which it has introduced a system that is destroying their business efficacy. So this is just a phoney and transparent political ploy to shift blame. We want the government to divide this legislation, if it has any—

Mr Hockey—Divide on the bill.

Mr Kerr—We will divide on this legislation, but what we want the government to do is to be honest in a way that they have not been honest hitherto: pass those parts which this parliament is agreed upon and then let us reserve an argument for the other bits where we can fight their ideological fights, listen to
their trade union ranting and deal with those issues in an appropriate way. *(Time expired)*

**Mr FITZGIBBON (Hunter) (7.00 p.m.)***— Of course, I did welcome the decision of the Minister for Small Business to come into this chamber and participate in this debate, albeit all too briefly. It appears that his office only had one transcript quote for him on this occasion and therefore his contribution was very brief.

This has been a debate about small business, about extending or enhancing the provisions of the Trade Practices Act to further protect small business. The question before us today is whether the Minister for Financial Services and Regulation, who is at the table, wants to protect small business or whether he wants to put his obsession with the trade union movement before those interests. That is the simple question. The Senate has rightly concluded that carving out the section 45D and 45E provisions of the bill in no way undermines the intentions of either the Reid committee or the Joint Select Committee on the Retailing Sector. That is the Senate’s conclusion. And the minister at the table has not put up any case to the contrary. He has talked a lot about the Labor Party’s relationship with the trade union movement but has made no attempt to put his obsession with the trade union movement before those interests.

Let us move away from small business for just a moment, because I think all those points—

**Mr Hockey**—Speak to the amendments before the House.

**Mr FITZGIBBON**—I am happy to return to them, Minister, at any time. Let us turn to the other amendments that are under threat. Let us turn to the amendment which would extend the definition of goods. I know it is not in his title, but I understand the minister at the table is the minister for consumer affairs. Let me share with the House what the amendments to sections 65F and 65R of the Trade Practices Act are all about.

**Mr Hockey**—Mr Deputy Speaker, on a point of order: we are dealing with amendments to section 45 and the member for Hunter is now speaking about sections 67 and 69 because he has nowhere to go on section 45. I ask that he actually speak on the amendments before the House.

**Mr DEPUTY SPEAKER (Mr Nehl)**—I thank the minister. He makes a very valid point of order. I do entreat the member for Hunter to respect the House and speak on the amendments before the House.

**Mr FITZGIBBON**—I respect the House and I certainly respect you, Mr Deputy Speaker, but what we are debating is a message from the Senate. The Senate has sent back to the House of Representatives a bill to amend the Trade Practices Act. That is what we are debating. Within that bill are amendments to section 65F and 65R of the Trade Practices Act. Let me share with the House what these amendments are about. These amendments respectively deal with compulsory and voluntary recall of goods. Where do you think the motivation for this amendment came from?

**Mr Hockey**—Mr Deputy Speaker, on a point of order: I know that the member for Hunter is extremely uncomfortable about this, and it is giving us great satisfaction over this side, but we are talking about amendments 45D and 45E. They are the amendments before the House.

**Mr Kerr**—The question is that the message from the Senate be disallowed.

**Mr Hockey**—No, that the amendments be disagreed to.

**Mr DEPUTY SPEAKER**—Order! It was the wish of the House to consider the amendments together—that is, the two amendments that are before the House—to which the minister moved that the amendments be disagreed to. The motion before the House is that we disagree to the amendments made by the Senate.
Mr FITZGIBBON—Of course, Mr Deputy Speaker. And where does the House seek the motivation for the amendments to sections 65F and 65R? It comes from a decision of the Federal Court. I ask the House whether they know what that case was called? It was called Theo Holdings Pty Ltd v. Hockey. (Time expired)

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (7.05 p.m.)—It is terrible. Here is a fish out of water, still flapping around. Over the last hour and a half there has been a bit more flapping, an occasional break, and then a bit more flapping. It has been painful. But the beauty is that the Labor Party do not have the courage to divide on this and, after all this debate, we have not actually seen them put a cogent case for doing over small business. Therefore, I challenge the Labor Party to divide. Given that the member for Hunter is now talking about sections other than those before the House, I am prepared to move that the question be now put.

Mr DEPUTY SPEAKER (Mr Nehl)—Are you prepared to move that?

Mr HOCKEY—I move:
That the question be now put.

The bells being rung

Mr Fitzgibbon—Mr Deputy Speaker, is it in order for the minister at the table to gag the debate simply because he has run out of something to say?

Mr DEPUTY SPEAKER (Mr Nehl)—There is no point of order.

Question put.
The House divided. [7.11 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

<table>
<thead>
<tr>
<th>Ayes</th>
<th>71</th>
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<td>Noes</td>
<td>61</td>
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<tr>
<td>Majority</td>
<td>10</td>
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</tbody>
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AYES

NOES
Wednesday, 4 April 2001

Representatives

O’Keefe, N.P.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.*
Sercombe, R.C.G.*
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Thomson, K.J.
Zahra, C.J.

Price, L.R.S.
Ripoll, B.F.
Rudd, K.M.
Sciaccia, C.A.
Short, L.M.
Smith, S.F.
Swan, W.M.
Theophanous, A.C.
Wilkie, K.

Hockey, J.B.
Jull, D.F.
Kelly, D.M.
Kemp, D.A.
Lieberman, L.S.
Lloyd, J.E.
May, M.A.
McGauran, P.J.
Nelson, B.J.
Nugent, P.E.
Pyne, C.
Ronaldson, M.J.C.
Scott, B.C.
Slipper, P.N.
St Clair, S.R.
Sullivan, K.J.M.
Thomson, A.P.
Tuckey, C.W.
Wakelin, B.H.
Williams, D.R.
Worth, P.M.

Hull, K.E.
Katter, R.C.
Kelly, J.M.
Lawler, A.J.
Lindsay, P.J.
Macfarlane, I.E.
McArthur, S.*
Nairn, G.R.A.
Neville, P.C.
Prosser, G.D.
Reith, P.K.
Schultz, A.
Secker, P.D.
Southcott, A.J.
Stone, S.N.
Thompson, C.P.
Truss, W.E.
Vale, D.S.
Washer, M.J.
Wooldridge, M.R.L.

Fahey, J.J.
Howard, J.W.
Moylan, J. E.
Somlyay, A.M.
Plibersek, T.
Beazley, K.C.
Gerick, J.F.
Crosio, J.A.

PAIRS

Mr Hockey—Mr Deputy Speaker, we will do whatever we can to facilitate the member for Wills explaining himself on this matter.

Mr DEPUTY SPEAKER (Mr Nehl)—Thank you very much.

Original question put:

That the amendments be disagreed to.

The House divided. [7.16 p.m.]

(Mr Deputy Speaker—Mr G.B. Nehl)

Ayes………….. 71
Noes………….. 61
Majority………. 10

AYES

Abbott, A.J.
Andrews, K.J.
Bailey, F.E.
Barresi, P.A.
Billson, B.F.
Bishop, J.I.
Cadman, A.G.
Causley, I.R.
Costello, P.H.
Draper, P.
Entsch, W.G.
Forrest, J.A.*
Gambaro, T.
Georgiou, P.
Hardgrave, G.D.
Anderson, J.D.
Anthony, L.J.
Baird, B.G.
Bartlett, K.J.
Bishop, B.K.
Brough, M.T.
Cameron, R.A.
Charles, R.E.
Downer, A.J.G.
Elson, K.S.
Fischer, T.A.
Gallus, C.A.
Gash, J.
Haase, B.W.
Hawker, D.P.M.

Martin, S.P.
McFarlane, J.S.
McMullan, R.F.
Morris, A.A.
Murphy, J. P.
O’Keefe, N.P.
Quick, H.V.
Roxon, N.L.
Sawford, R.W.*
Sercombe, R.C.G.*
Sidebottom, P.S.
Snowdon, W.E.
Tanner, L.
Thomson, K.J.
Zahra, C.J.

NOES

Adams, D.G.H.
Bevis, A.R.
Byrne, A.M.
Cox, D.A.
Danby, M.
Ellis, A.L.
Evans, M.J.
Ferguson, M.J.
Gibbons, S.W.
Griffin, A.P.
Hatton, M.J.
Hollis, C.
Irwin, J.
Kernot, C.
Latham, M.W.
Livermore, K.F.
Macklin, J.L.
McClelland, R.B.
McLeay, L.B.
Melham, D.
Mossfield, F.W.
O’Byrne, M.A.
Price, L.R.S.
Quick, H.V.
Rudd, K.M.
Sciaccia, C.A.
Short, L.M.
Smith, S.F.
Swan, W.M.
Theophanous, A.C.
Wilkie, K.
PAIRS

Fahey, J.J.  
Plibersek, T.
Howard, J.W.  
Beazley, K.C.
Moylan, J. E.  
Gerick, J.F.
Somlyay, A.M.  
Crosio, J.A.
* denotes teller

Question so resolved in the affirmative.

Mr HOCKEY (North Sydney—Minister for Financial Services and Regulation) (7.18 p.m.)—Mr Deputy Speaker—

Mr Crean interjecting—

Mr HOCKEY—You are a coward, Simon.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The minister will withdraw.

Mr HOCKEY—I withdraw. Mr Speaker, I present the reasons for the House of Representatives disagreeing to the amendments of the Senate. I move:

That the reasons be adopted.

Question resolved in the affirmative.

SAFETY, REHABILITATION AND COMPENSATION AND OTHER LEGISLATION AMENDMENT BILL 2000

Second Reading

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

That the bill be now read a second time.

Mr BEVIS (Brisbane) (7.19 p.m.)—I want to acknowledge at the outset the cooperation and assistance of the department in providing a briefing and to thank the minister for facilitating that briefing for me and my staff on the Safety, Rehabilitation and Compensation and Other Legislation Amendment Bill 2000. I believe this bill was before a Senate committee at the end of last week, and we will be looking with some interest at the evidence presented to that inquiry and at the comments made by the various senators as they went through that evidence. There are a number of provisions in this bill that, on the face of it, we will have no difficulty in supporting and that I would not anticipate that the Senate inquiry would identify as areas of concern to us. However, there are a number of important matters that we have difficulty with and that at this stage it would be our intention to oppose. Given the restrictions on time, I propose to devote most of my contribution to identifying those areas of concern. That is not to say that there are not other areas of the bill which we support, but it would probably facilitate the process if I identify those areas where there may be or are significant disagreements.

One of the key aspects of the bill addresses the definition of disease and injury and what constitutes a compensable disease or injury. The change in the definition will mean that injuries related to a compensable disease brought about, for example, by a stroke or a heart attack will not be compensable unless it can be established that employment contributed in a material degree. That in itself is no change and is not in any way significantly different from the operations of similar schemes at a state level. However, material degree is then further defined as having a 'close connection' with the employee's employment. Certain elements are then set out that define what a close connection is. They require that, in determining a close connection, the following be taken into account: the duration of employment, medical predisposition rather than the usual test of taking the employee as one finds them, activities outside work and, indeed, any other matters. We believe that these amendments will result in a more restricted definition and that this is more restrictive than any in similar state jurisdictions. We are concerned with that and cannot support it.

I should also express some concern about the application of 'medical predisposition' as a definition. I am not sure exactly what may be in mind in handling 'medical predisposition', but it does throw up a number of interesting questions. For example, in life insurance, when someone takes out life insurance they are required to disclose previous health conditions and answer specific questions. Failure to do so has been the subject of litigation when compensation has subsequently been sought from those insurance policies. At the other end of the continuum, 'medical predisposition' might go to a consideration of a genetic tendency to a disease which would...
be identified, for example, through DNA testing. In the current world of rapidly changing medical science, there is a concern about precisely what would be identified as ‘a medical predisposition’. Certainly, any suggestion that people are going to be DNA printed, as it were—identified as having a predisposition to a certain ailment and then finding themselves unable to get compensation as a result—would be a worry. I do not think that that is what is intended, but I am not sure that there is anything that would stop that happening. In any event, the test that is applied by restricting it to ‘a close connection’ and then further identifying what ‘a close connection’ is, does impose a test more onerous than exists generally in other like schemes as the state level.

One of the things that I imagine will be advanced by the government—and I think has in the past been advanced in support of the proposition that we need to tighten up on the definition of ‘injury and illness’—relies upon statements made by the former Labor government in 1988 in a second reading speech by the then minister, Brian Howe. Brian Howe said this in dealing with the bill that was then before the parliament:

An employee will not be required to show that his or her employment caused the disease, or even that it was the most important factor in the contraction of the disease. It is intended that the test will require an employee to demonstrate that his or her employment was more than a mere contributing factor in the contraction of the disease. Accordingly, it will be necessary for an employee to show that there is a close connection between the disease and the employment in which he or she was engaged.

Minister Howe went on and said:

In determining whether employment contributed in a material degree to the contraction of a disease in a particular case, regard would be had to whether the employment in which the employee was engaged carried an inherent risk of the employee contracting the disease in question and whether some characteristic or feature of the employment tended to cause, aggravate or accelerate the disease.

Those comments were recently considered by the AAT in Derek Ernest Bessey v. the Australian Postal Corporation. The senior member of the tribunal, Mr Peter Bayne, noted:

Looking at the Minister’s speech, all that may be said is that a “material” contribution is one that is more than a “mere” contribution, but less than the “most important factor in the contribution”.

He went on and said:

This does not take the matter very far.

I can understand why the government would want to tighten up on that provision, but it is not, in the final analysis, the definition that we think is fair and reasonable in the circumstances and, as I said, it goes beyond the position adopted by all of the state schemes.

There are two important things that have transpired since 1988 when Brian Howe made those comments, although I do note that the context in which he referred to ‘close connection’ is slightly different to that in which the government now proposes to use those words. Leaving that aside, there are two important factors that have occurred since then. The first and obvious one is that we have had the experience of the last 13 years to actually observe the operation of the fund and to have a look at the claims history, costs and the premiums required. We no longer have to speculate about that—we now have information. But, importantly, subsequent to 1988, the former Labor government established the Occupational Health and Safety (Commonwealth Employment) Act 1991, which put in place a structure of prevention to go hand-in-hand with the compensation provisions that are principally part of the legislation we are now dealing with.

If you have a look at the operation of the scheme, you find that the Commonwealth scheme is probably the best by most yardsticks. The claims received and accepted as a percentage of employee numbers is actually declining and is low. In 1996-97, the claims were about 6.18 per cent of employee numbers. In 1997-98, it dropped to 5.59 per cent, the following year to 4.76 per cent and the last year recorded—1999-2000—to 5.34 per cent. That is, there is a downward trend of claims as a percentage of the work force. That is a good outcome. I would argue that it is in no small way due to the structure of
occupational health and safety committees that operate throughout the public sector.

Equally impressive is the premium rate applied by the Commonwealth for its scheme. It is the lowest of any in the country. There are a number of reasons for that, some of which are to do with profile and so on, but it also says something about the operation of the scheme and the occupational health and safety committees. The Commonwealth scheme has a compensation premium rate of just one per cent. To put that in some perspective, the ACT government’s is 3.1 per cent, Western Australia’s is 3 per cent, South Australia’s is 2.9 per cent, New South Wales’s is 2.8 per cent, Victoria’s is 2.2 per cent, and Queensland’s—where I know my home state boasts a very good record—is still on 1.8 per cent. So the premium rate applied to fund the Commonwealth scheme is very low in comparison and clearly demonstrates that the scheme is functioning very well. I seek leave to continue my remarks at a later time.

Leave granted; debate adjourned.

QUESTIONS TO MR SPEAKER

Minister for Defence: Hansard Report

Mr SPEAKER (7.30 p.m.)—On 3 April the member for Cunningham asked me to check whether the greens of an answer given by the Minister for Defence on 8 March, page 21922 of the proof Hansard, had been corrected. The minister originally referred to ‘our capacity for the purchase of new combat aircraft carriers’. This was reported in the greens, sent to his office and subsequently in the complete sets of question time greens sent to all party leaders. At 4.27 p.m. the minister’s office faxed to Hansard a request to delete the word ‘carriers’. This was recorded verbatim, reference to ‘aircraft carriers’ is completely different to reference to ‘aircraft’. The meaning that can be ascribed in terms of defence policy, in terms of all of the issues which this minister has been endeavouring to raise within this parliament and elsewhere in the last couple of weeks, clearly can be muddied and sullied by the interpretation that might be there. I respectfully request that the original wording be reinstated in the Hansard, as it is entirely what the minister said and is in keeping with his approach to defence matters.

Mr SPEAKER (7.31 p.m.)—I will deal briefly with the matter raised by the member for Cunningham and then, as one is aware, we must attend to the House’s adjournment. I do not believe that it is anything out of the ordinary for anyone to make reference to ‘aircraft’ or ‘aircraft carriers’ as a slip of the tongue. It is quite easy to use the term ‘aircraft’ or ‘aircraft carriers’ having added the word ‘carriers’ purely as a slip of the tongue. It was in that context that I allowed the deletion to occur.

ADJOURNMENT

Mr SPEAKER—Order! It being past 7.30 p.m. I propose the question:

That the House do now adjourn.

Minister for Defence: Hansard Report

Watson Electorate: Chinese Australian Services Society

Mr LEO McLEAY (Watson) (7.32 p.m.)—Mr Speaker, having listened to what
you just said it makes one worried about the Minister for Defence; that he does not know the difference between an aircraft and an aircraft carrier. No wonder he was willing to bag the Air Force last week when they turned one engine off on his plane and he thought that they were going to crash the plane. That is the level of sophistication of this minister here. He is now commonly referred to around the Department of Defence, I am told, as ‘Dive, Dive, Dive, Reith’.

But tonight I want to talk about the Chinese Australian Services Society, which is a group of people in my electorate. On Sunday, 4 March CASS celebrated its 20th anniversary at its premises at Sixth Avenue in Campsie. I was honoured to be able to attend the celebration and meet with a large range of people who have been involved in CASS over those years. It was a great function and an occasion well worth celebrating. CASS began its work 20 years ago by providing much needed child-care services to local families. Since then it has grown substantially and provides not only a wide range of children’s services but also support for a number of programs for the elderly. The organisation is an important link for people newly arrived in Australia and provides essential services for people of all ages in the community.

To give you a bit more detail about CASS, it is important to know that its objectives include provision of welfare services to the community, assistance to Chinese speaking people to settle and integrate into the Australian society, fostering of mutual understanding and cooperation between Chinese Australians and other Australians through multicultural activities and through the promotion of Chinese culture. The range of services and activities provided by CASS is very wide. Most of the services and activities are targeted at Chinese speaking people living in local government areas in and around the inner west and south-west regions of Sydney, as well as providing some services in Wollongong and the Illawarra region. Every week more than 1,600 families have dealings with CASS. Services and activities offered include migrant and community services, education and training, children’s services, aged services, community activities, social and recreational activities and the promotion of Chinese language and culture.

CASS got started 20 years ago by a group of people who realised that there was a real need for child-care services in the Chinese speaking community in Sydney. This group formed CASS to try to fill that need. When it was first formed CASS had little besides enthusiasm. It had no resources or experience. Today CASS is providing an extensive range of services to the community, from child care for the newly born to community care packages for the elderly—a truly vertically integrated welfare service. CASS also provides services including Chinese schools, an academy of arts, sporting activities for youth, services for new migrants, counselling services and small business management training. The services provided by CASS and the geographical areas covered by CASS are continually increasing. Still, CASS is only able to provide for a fraction of the demand for social and welfare services of the Chinese speaking community, given the increase in Chinese speaking migrants in the last two decades in Sydney. Indeed, at the function the Premier of New South Wales mentioned that Chinese was the most commonly spoken language in Sydney now.

Mr Slipper—Or Cantonese. Which one?

Mr LEO McLAY—The parliamentary secretary at the table is trying to display his education and understanding of all of these things and he, quite rightly, tells me there is no such language as Chinese; it is either Cantonese or Mandarin.

Over the past 20 years CASS has grown like the children who first used its services. Its work has won the support and acknowledgment of the community, various government departments and mainstream agencies. CASS prides itself on belonging to everyone. It is an exceptional organisation. The chairman, Henry Pan, who has been the chairman since the beginning; Bee Koh, the executive officer; and the CASS directors are all to be congratulated for their ongoing commitment to the community. I am very happy to be able to mention them here tonight so that the na-
tional parliament has an idea of their work. I wish them all the best for the next 20 years and beyond. *(Time expired)*

**Ovine and Bovine Johne’s Disease**

**FRAN BAILEY (McEwen) (7.37 p.m.)—**

I rise to speak about the effects of ovine and bovine Johne’s disease eradication programs in my electorate of McEwen. Many of the farmers in my electorate have expressed their frustration and dismay at the eradication program that has been forced on them by the state government, and there have been many examples of financial, social and psychological devastation. These farmers tell me that the disease is endemic, that there is no real accurate test for Johne’s disease to begin with and that evidence of major economic loss caused by the disease is in fact non-existent.

The Victorian government embarked on an expensive testing and eradication program before evaluating that this was really the proper course of action. They did this without taking into account the enormous cost of having to restock. In particular, with the current— and, I might say, long overdue—high prices for good quality sheep and cattle, the compensation received by farmers just does not cover the replacement costs of good quality animals. One of my local farmers, Don Lawson, has led a concerted campaign to raise public awareness about Johne’s disease and that the disease has no proven cost-benefit production loss at the farm level. For example, while being diagnosed as having cattle with strains of Johne’s disease, his Angus beef cattle won gold medals in the ‘Paddock to Palates’ show. This is the equivalent of the wine industry’s Jimmy Watson Trophy.

The Victorian state government has failed to develop a commercially acceptable test and been negligent in not formulating an economic impact statement for farmers. There has been a lack of compassion for farmers in the industry and scant regard for the impact, both financially and emotionally, that the disease eradication program has had on them. Many have told me that they have been treated like pariahs in their own communities because of a fear of the disease fuelled by ignorance. Many farmers were literally forced to de-stock because of the danger of being ostracised in their own community if they did not.

Efforts to eradicate the disease have been ill conceived, to say the least. It has been common practice to deal with the disease by de-stocking and restocking paddocks. This would appear to be of little practical use, because Johne’s disease can actually survive in the soil. In the process, farmers have been forced to bear unreasonable burdens and costs which have sent many to the brink of financial and personal ruin. What compounds this problem is that there is little in the way of adequate compensation. As I stated earlier, compensation just does not cover replacement costs of good quality animals.

Many farmers take the attitude that, if the disease was proven to be a serious economic threat to industry viability and could be identified and cured, they would support its control and the eradication program. But the economic advantages of eradication have not been proven, there are no quick and certain methods for identifying the disease, and there is no evidence that it impacts on human health and that there is no cure for the animals. It has been estimated that the disease costs all farmers in the shire of Murrindindi in my electorate up to $4,000 per year in implementing the management programs forced on them by the state government. Yet what has not been taken into account is that the cost of the de-stocking program just in this one area would be up to $5 million.

Johne’s disease is unfortunately another example of authorities and the state government not listening to industry, who are after all the hands-on experts—many of course with generations of expertise. The industry views this disease as being commercially irrelevant and the eradication program as destroying many previously successful farmers. As my local farmers say, nowhere in the rest of the world has any country become so obsessed with Johne’s disease, which is a minor wasting disease that has been identi-
fied in most animal species and found in most countries over the last 100 years. There is in fact a vaccination available that my farmers tell me costs around $2 per vaccination. It is just a terrible pity that the Victorian state government did not properly investigate this. It is a vaccination that is used in many countries overseas. If this had been investigated initially and a proper report had been done on the vaccination program, many of the farmers would not be facing financial ruin as they are today. *(Time expired)*

**Environment: Kyoto Protocol**

Ms BURKE (Chisholm) *(7.42 p.m.)*—Tonight I would like to add my voice and that of my constituents to probably the biggest environmental threat facing the earth—climate change. Recent evidence from the Intergovernmental Panel on Climate Change has highlighted expected changes in weather patterns, water resources, ecosystems and much more. It provides yet another snapshot of the state of the global environment and some of the results are alarming. It reports:

- In Latin America floods and droughts will become more frequent and vector-borne infectious diseases will expand poleward.
- In many Asian countries, declines in agricultural productivity will diminish food security.
- Rises in sea-levels and an increase in the intensity of tropical cyclones could displace tens of millions of people in low-lying coastal areas.
- And in Australia, one of the driest places on Earth, water will be a key issue due to projected heating up of the earth.

This report was released on 19 February this year, and yet within a month we have the Bush administration announcing it will not ratify the Kyoto protocol on global warming and the Australian government indicating it will go all the way with the President with oil in his veins.

In December 1997 Australia made an international commitment at Kyoto to limit its greenhouse gas emissions to 108 per cent of its 1990 baseline. We were one of only three countries granted an increase in emission levels—we achieved this under the concept of ‘differentiated targets’, based on a country’s economic base—while other developed countries agreed to reduce their aggregate emissions of greenhouse gases by at least five per cent by 2012. The irony of the government’s current mixed message is that in 1997 they heralded the special case status they won at Kyoto as a triumph. So why would the government even consider walking away from the generous concession they have won? It is not like the world will be able to close its eyes to the intensifying effects of climate change. Sooner or later, all countries will have to sign up to limiting their polluting of our environment.

There has been a lot of criticism of the Kyoto protocol from many quarters. The so-called umbrella group, comprising Australia, the US, Canada, Japan, Russia, Iceland, Norway and the Ukraine, have been at loggerheads with the European Union over the method of meeting targets. The root of these problems has been the fact that the EU can increase emissions in some countries, such as Greece, and cut them in others, such as Germany, and still meet their targets. This so-called ‘bubble’ effect gives considerable flexibility to EU countries not afforded to individual countries such as the United States and Australia.

But probably the biggest gripe of the umbrella group is the fact that the Kyoto protocol does not apply to industrialised developing nations such as China and India. The flip side of this argument, of course, is that it is the industrialised world that has been responsible for polluting our environment, with the US emitting a quarter of the world’s greenhouse emissions despite having only four per cent of the world’s population. How can we possibly expect emerging developing countries to cut their own greenhouse gas emissions if the US is not prepared to wear some of the economic costs of meeting the targets? However, it is a legitimate argument that developing countries must be bound into the agreement at some point in the future, and relatively rich countries like the US and Australia must lead by example. A recent *Age* editorial commented on 29 March:

> It will dismay Bangladesh and small Pacific Island nations which, while producing a tiny frac-
tion of global greenhouse gases, are likely to be the first affected by rising sea levels.

It must also be said that ongoing cuts in greenhouse gas emissions will have an effect on local economies. Governments will have to be mindful of these effects on their citizens and to explain to them why greenhouse cuts are not only in the national interest but in the interests of the whole globe. Recent elections in Australia have taught us the dangers of not explaining the benefits of change to the community, with globalisation being the most potent example. However, I truly believe that most Australians understand the dire need to undo the harm we have done to our environment. They know it; they see it. They only have to turn on their television sets to see the rise of weather related disasters directly attributable to global warming. They know that problems like land clearing, salinity and the hole in the ozone layer are just not going away. In fact, I believe that the general community is way ahead of many politicians in their appreciation of the importance of sustainable development. I suspect that President Bush may rue the day he rejected the Kyoto protocol when American voters cast their judgment on his presidency.

So the Howard government must make its position clear. Will it be motivated by short-term considerations such as slavishly following the US, or is the government serious about playing its part in curbing global warming? As I move around my electorate of Chisholm, I find that issues affecting the environment are very important to my constituents. On behalf of all the mums and dads and the young and the not-so-young in Chisholm, I ask the Howard government to sign the treaty and help secure a healthy earth for the future of all the world’s people, not just for those fortunate enough to live in countries rich enough to withstand the catastrophic side effects of global climate change.

**Eden-Monaro Electorate: Television Reception**

Mr NAIRN (Eden-Monaro) (7.47 p.m.)—I recently accepted from Mr Terry Davies of Merimbula a petition signed by 5,160 residents of the Bega Valley shire, asking the federal government to take action on the poor level of television reception experienced over the last summer by residents and visitors to the Bega Valley shire. As the wording of the petition was unfortunately not in line with the guidelines for petitions being presented to the Australian federal parliament, I have fast-tracked the petition process and, instead, have today given the petition directly to the minister concerned, the Minister for Communications, Information Technology and the Arts, the Hon. Richard Alston, and a copy to his parliamentary secretary, Senator the Hon. Ian Campbell.

During the summer of 2000-2001, the television reception along the far South Coast deteriorated to such an extent that viewing television was near impossible at times. As well as being incredibly annoying, this also affected the popular tourism industry on the far South Coast. I was informed by the Australian Broadcasting Authority that the primary cause of these problems was the summer weather conditions and particularly a phenomenon known as ‘ducting’. It was later brought to my attention that the introduction of digital transmission to the north of the region may also have had an effect. I was assured that the introduction of SBS Television to the coastal region of my electorate, from Batemans Bay through to Eden, did not contribute to the reception problem. SBS was turned on in January at various places along the coast as part of the black spot funding of the additional roll-out of SBS to many other areas. We were able to get it right along the coastal part of my electorate. A lot of people thought that that roll-out, which occurred at the same time, was probably interfering with other TV channels, but all of the experts have assured me that the introduction of SBS transmission did not contribute to the reception problem.

While I am aware that commercial stations are responsible for their own broadcast signal quality and that the petition has also been presented to the Australian Broadcasting Authority, WIN Television management and Ten Capital Television management, it is of great concern to me that many residents have been adversely affected by the fact that
Wednesday, 4 April 2001

REPRESENTATIVES 26465

the signal qualities on the far South Coast do not meet the needs of residents. I think that the commercial aspect will probably help to improve this problem. Many of the businesses that I have spoken to in my region have said that they actually pulled some of their advertising from TV because they thought that there was no point in advertising if nobody could watch it. I have been saying to many people, ‘The greatest thing you can do is to write to those commercial stations,’ because I know that, although it was an atmospheric problem, the stations could help by boosting the strength of the signal. I said, ‘You should be writing to the commercial television stations because they need to know the reason why their advertising could potentially drop off.’ If the TV stations see the advertising dropping off, and if that starts to hit the hip pocket, then they might do something about it.

Simply the fact that 5,160 residents of the region have signed this petition can be used as a measure of the great deal of community angst that there is over this problem. It is not an insignificant petition and it developed in a very short period of time. While I have passed my concerns on to Ten Capital, WIN TV and the ABA to seek their assistance in resolving this issue, I have also requested that the minister look into what the federal government can do to assist in this situation. At my urging, I understand that the Bega Valley Shire Council has lodged applications under the Television Black Spots Program of the federal government’s Networking the Nation, and this may be one avenue of redress. I have advised the minister responsible for this program, Senator the Hon. Ian Campbell, of the contents of the petition and have asked that the concerns of the signatories be taken into account when assessing applications. I stress to all involved the urgency of the situation, as the region frequently receives below standard broadcasts throughout the year from all channels. I hope that in cooperation with the ABA, Ten and WIN—and, to some extent, Prime; Prime was not included on the petition but some people have a problem with it—we can come to a speedy resolution of this issue.

North West Shelf: Shell

Mr COX (Kingston) (7.52 p.m.)—On 6 February, when I made my first comments in the House about Shell’s bid for Woodside, I identified a major national interest issue which the government has still not satisfactorily resolved. In the case of this application, the national interest is that exploration and development of the North West Shelf not be impeded by the conflicting interests of Shell. Those conflicting interests are Shell’s natural gas projects in Oman, Brunei, Malaysia and Sakhalin Island, each of which competes with the North West Shelf in the Asia-Pacific for long-term gas supply contracts.

While Shell have had an economist promote the theory that Shell’s shareholders are best served by allowing each of these projects to compete on its merits, the commercial reality is that Shell’s management in The Hague will not be indifferent as to which project wins when each new multibillion dollar LNG contract is negotiated. Indeed, Shell’s objective in its bid for Woodside is not just to increase its stake in the North West Shelf, with its enormous natural gas reserves. Shell’s objective is to make the North West Shelf fit into Shell’s global LNG strategy.

The North West Shelf’s interests—and therefore Australia’s interests—are not necessarily aligned with Shell’s global natural gas strategy. That was underlined by a candid comment made by Raoul Restucci that was published in the Evening News on 15 December last year. I happen to have a copy of the paper here. It reads:

If Shell wins control after the shareholder vote, probably in late March or April, it will aim to stop Woodside from competing directly with Shell, as it has in liquefied natural gas receiving terminals in China and India.

Raoul Restucci’s name is probably well known to Woodside shareholders because he signs most of the letters from Shell to them regarding the offer. The fact is that Shell has failed to deal with these comments and has instead dissembled. The CEO and chairman certainly did not have a coherent explanation when I raised the matter with them. Raoul
Restucci did not deny saying it when Laura Tingle of the *Sydney Morning Herald* put it to him—he just said it had to be taken in context. The context it has to be taken in is Shell’s bid for Woodside.

That let the cat out of the bag. Now another cat is out of the bag, courtesy of Dow Jones and Reuter’s reports from South Korea. According to a Dow Jones report dated Seoul 28 March 2001, South Korea’s deputy energy minister, Lee Hee-Beom, and Shell International Gas chief executive Linda Cook were to meet last Wednesday to discuss Royal Dutch Shell Group’s interest in taking a 15 per cent stake in the state run Korea Gas Corporation, Kogas, and South Korea’s possible participation in the development of a natural gas project on Sakhalin Island. Linda Cook was reported to be also meeting with Kogas president and chairman Kim Myung-Kyu on the same matters. This report was attributed to a ministry official. A Kogas official said that Shell is the frontrunner for the 15 per cent stake in Kogas and the company hopes to conclude the $400 to $500 million transaction by the end of the year.

According to the report, the deal is far enough advanced that the terms are currently being vetted by the Ministry of Commerce, Industry and Energy. Those conditions include a seat for Shell on the Kogas board. That is not remarkable. But of more interest is Kogas’s agreement to purchase LNG from one of the major gas fields in which Shell has an interest. If Shell is getting Kogas to take a stake in Sakhalin, you do not need an ounce of commercial wit to realise that by this acquisition of a 15 per cent stake Shell is locking in Sakhalin Island for the supply of the next big tranche of gas to South Korea. According to a Reuter’s report, also of 28 March, a Kogas official said:

> We know that the government [of South Korea] is considering a proposal from Russia to invest in oil and gas projects in Sakhalin. But no decision has been made yet.

The proposal was apparently put by a Russian delegation which accompanied President Vladimir Putin on his state visit to South Korea in late February.

As I have said before, Shell’s interests are not synonymous with Australia’s. Shell has other interests and other governments to placate. South Korea and Kogas are, of course, a major potential market for LNG from the North West Shelf. Such a contract could underpin development of a fifth LNG train for the North West Shelf. There can be no clearer demonstration of the interests that Shell has that conflict with the optimal development of the North West Shelf. The Sakhalin supply to Korea is not hypothetical. Apparently the major outstanding issue with the Korean energy ministry is the size of the contract. They have concerns that it is too large. The energy ministry is apparently grappling with the problem of dealing with Korea’s existing LNG contracts as part of their privatisation of Kogas.

An outcome for the present Shell bid for Woodside that protects Australia’s national interest—one that ensures that the development and marketing of North West Shelf gas can be conducted in a manner which is independent and not subject to undue influence from Shell, with its conflicting interests—would not stop Shell using its leverage in the region to achieve an outcome like a sale from Sakhalin to Korea. But it would reduce Shell’s capacity to lay a dead hand on the North West Shelf partners’ efforts to be as competitive as possible in seeking those market opportunities. We are not talking small beer here. According to Dow Jones, local Korean reports put Shell’s ambitions for the Sakhalin contract to Kogas at 3.5 million tonnes per year for 25 years. *(Time expired)*

**Environment: Western Sydney**

Mr BARTLETT (Macquarie) (7.57 p.m.)—Last weekend a large number of residents gathered at Penrith to protest against the proposed development of the 1,500 hectare ADI site between Penrith and St Marys. I share many of their concerns on this matter. The development of 8,000 home sites is not appropriate for this area. There is not sufficient social or transport infrastructure and the threats to remnant Cumberland woodland vegetation are too great. While the initial
contract signed by the previous government with Lend Lease required some development to recoup restoration costs, the scale of the development proposed then and the proposal now supported by the state government is far too great. It is essential that the conservation value of this site, particularly the heritage listed areas, be retained. It provides an ideal opportunity for a large tract of parkland for Western Sydney.

I take this opportunity to remind the House of the environmental benefits realised for outer Western Sydney under the Howard government. Three areas immediately spring to mind. The first is Badgerys Creek. The Howard government’s decision not to proceed with an airport at Badgerys Creek is a great relief to people in Western Sydney, the Hawkesbury and the Blue Mountains. I, along with the member for Lindsay, have fought hard against this proposal for the last six years. By contrast, I note that Labor members even as recently as last week, both in this chamber and in the public arena, were strongly advocating an international airport at Badgerys Creek. This is still Labor Party policy. It was their plan to begin with and it is still their policy.

Secondly, the Howard government’s successful push to have the greater Blue Mountains area listed as a world heritage site is a big win both for the local environment and for regional tourism. Many locals have been fighting for this for the last 15 years and they deserve to be commended for their vision and determination. I am delighted that it was this government, the Howard government, that successfully took the proposal to the World Heritage Committee.

Thirdly, this government’s Natural Heritage Trust has helped a large number of local environment groups, with grants totalling some $4 million in my electorate. The many volunteers who comprise most of these groups do a great job for local environment. I am pleased that the Howard government has been able to help them. I was appalled to read just a couple of months ago the Leader of the Opposition criticising this program, which has helped a great number of local environmental groups with their bush care and land care work.

The Howard government has been responding to environmental concerns of people in Western Sydney, Hawkesbury and the Blue Mountains. I am pleased that the Howard government has been able to deliver on these concerns and improve the environment in our local region.

Question resolved in the affirmative.

House adjourned at 7.59 p.m.

NOTICES

The following notices were given:

Mr Hockey—to present a bill for an act to provide for the collection of information from bodies in the financial sector, and for related purposes.

Mr Hockey—to present a bill for an act to repeal and amend various Acts, and to deal with transitional matters, in connection with the enactment of the Financial Sector (Collection of Data) Act 2001, and for related purposes.

Mr Hockey—to present a bill for an act to amend the law relating to financial services and markets, and for other purposes.

Mr Hockey—to present a bill for an act relating to the application of the Criminal Code to certain offences, and for other purposes.

Mr Ruddock—to present a bill for an act to amend migration and citizenship legislation, and for other purposes.

Mr Ruddock—to present a bill for an act to amend migration and citizenship legislation, and for other purposes.

Dr Kemp—to present a bill for an act to amend legislation about funding of primary, secondary and higher education and of research, and for related purposes.

Dr Wooldridge—to present a bill for an act to amend legislation relating to health, and for related purposes.
Mr McGauran—to present a bill for an act to amend the Broadcasting Services Act 1992, and for other purposes.

Mr Anderson—to present a bill for an act to amend or repeal certain legislation relating to aviation, and for related purposes.

Mr Reith—to move:
That:
(1) the House, at its rising, adjourn until Wednesday, 9 May 2001, at 2 p.m., in the Royal Exhibition Building, Melbourne, unless the Speaker or, in the event of the Speaker being unavailable, the Deputy Speaker, fixes an alternative day or hour of meeting;
(2) leave of absence be given to every Member of the House of Representatives:
   (a) from the determination of this sitting of the House to 9 May 2001; and
   (b) from the determination of the sitting of the House on 10 May 2001 to the date of its next sitting; and
(3) standing order 100A (Notice Paper) be suspended for the sittings of the House on 9 and 10 May 2001.

Dr Theophanous—to move:
That this House:
(1) expresses its concern at the very large number of positions in the IT industry, estimated at 30,000, which are not being filled in Australia;
(2) expresses its concern that the Government’s program under the Minister for Employment, Workplace Relations and Small Business, the Minister for Education, Training and Youth Affairs and the Minister for Communications, Information Technology and the Arts is totally inadequate to deal with this shortfall; and
(3) calls on the Government to substantially boost its programs in the areas of education, training and targeted immigration, as well as the work of the IT&T Taskforce, to ensure that there is a much larger pool of people trained in IT available to Australian industry.

Mr Latham—to move:
That this House opposes the actions of the Speaker in:
(1) accepting a gift from Fox Sports services without consulting Members of the House;
(2) failing to immediately declare the nature of this gift; and
(3) potentially compromising the House, given the Parliament’s role as the regulator of pay TV services.
Mr DEPUTY SPEAKER (Mr Nehl) took the chair at 9.40 a.m.

STATEMENTS BY MEMBERS

Universities: Country Students

Mr GIBBONS (Bendigo) (9.40 a.m.)—I rise to express my concern over the findings of a new government study relating to country students’ participation rates in university education. I also want to highlight Labor’s education policies, albeit somewhat briefly, particularly those relating to education priority areas, and the importance of country university facilities to country communities.

I refer to the report compiled by the Department of Education, Training and Youth Affairs headed ‘Access: effect of campus proximity and socio-economic status on university participation in regions’. This report noted that 28.4 per cent of city people between the ages of 19 and 21 went on to university, while the figure for the country was only 18.3 per cent. In my electorate, in the City of Greater Bendigo, the report reveals that the participation rate is 26.6 per cent. In Mount Alexander and the Central Goldfields region, the figure is 21.3 per cent. In both of these districts the participation rate is above the Australian country average but below the Australian city average. It is dramatically below the situation in affluent Kew, where 64.2 per cent of young people go on to university.

The report concludes that the difference in participation rates is because of income and social factors, that country students are less interested than city students in university education, and that it is not because of geographical disadvantage or the fact that there are fewer university facilities in the country. I observe that the basic inequality that is often seen as geographical inequality is in fact inequality in income and life opportunities. It is not surprising that fewer country young people than city youth go on to university, because they are generally less well off, they generally leave school earlier than city youth and they are less able to afford the cost of a university education.

The whole thrust of the coalition parties’ policies is to favour the rich against the rest; to favour the city against the country; and to favour wealthy schools against the less affluent Catholic parish and government schools. The coalition policies, most recently through the GST, have made education dearer. For many country kids it is a bigger sacrifice to go to university than it is for many city kids. That is why Labor’s policy of setting up education priority areas is vital for country kids. It will invest extra resources into country schools in areas of need and assist young people to stay on at school. This will help to encourage them to proceed on to the tertiary education that they want for themselves. This is a policy that faces up to the real difficulties that country kids face and will be a big change from the slash and burn policies that country schools have seen formerly under the coalition parties in Victoria.

The coalition always looks after the tall poppies. It always looks after the big end of town. It is time to get back to the grassroots. I warn the government against using this report to cut back on country university facilities. I believe the availability of a university like La Trobe in my electorate does help to make university education more a part of the normal education landscape for young people. A university located in the country, as with La Trobe University’s campuses, is more interested in making itself relevant to the country community and breaking down the old barriers to university education than is a university in the city. That is why I have been so interested in protecting the identity of La Trobe University in Bendigo. (Time expired)
Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (9.43 a.m.)—I rise this morning to recognise some outstanding local talent in my electorate. They are certainly not tall poppies; they are salt-of-the-earth people. This shows that we do recognise people right across the broad spectrum. I refer to an Australian band, Snake Gully, a four-piece outfit featuring Tony Hillier on lead vocals and rhythm guitar, Peter Ella on mandolin, fiddle, lagerphone and backup vocals, Steve Gilbert on harmonica and backup vocals, and Dave Hart on the double bass.

Already a favourite with Far North Queenslanders, tourists and traditional music fans, Snake Gully is a genuine, home-grown Aussie band whose brand of music and extensive repertoire of traditional and original songs have helped the band to win the hearts of audiences wherever they perform. The widely-dubbed the ‘heart and soul of the band’ stems from its songs and colourful renditions, to remind us all of things that make us proud to call ourselves Aussies. Snake Gully has now been invited to represent Australia at several overseas events, including performances in Beijing and at the Agricultural World Trade Fair in Shouguang City, China, later this month, as well as one of the premier folk festivals in Scandinavia, the Skagen Festival, in northern Denmark in June.

As an unashamed fan of the band, I am delighted that they are now taking their act onto the world stage. That is very much in part due to the support from the Department of Foreign Affairs and Trade, who have provided the band with an Images of Australia grant to help cover the costs of getting them to Scandinavia. They will be the sole Australian voice at one of the region’s largest and most prestigious music festivals, sharing the stage with some legendary international acts, including the Dubliners and the Fairport Convention.

In China, Snake Gully will perform in the company of Nikki Webster, who starred in the Olympic Games opening and closing ceremonies. I have no doubt whatsoever how warmly Snake Gully will be received by audiences abroad, particularly at a time of heightened interest throughout the international community in Australia and its colourful heritage in the Centenary of Federation year. The passion and essence of fun they exude on stage ensures the band is booked from daylight to dusk and beyond every Australia Day, Queensland Day and for many other civic events. They often provide their talents free of charge to community groups. Snake Gully are facing the biggest gig of their 12-year career, and I cannot think of a more appropriate group of cultural ambassadors to represent our country on the international stage. I wish them every success. (Time expired)

Ms ROXON (Gellibrand) (9.46 a.m.)—I would like to take the opportunity in National Youth Week to congratulate some young students in my electorate who have taken an initiative to become a little more active in communicating their concerns about politics in the community to the wider region. This has come about as a result of my regular visits to secondary schools and an invitation, when I was first elected, to each of the secondary schools to send a number of their SRC students, or those students who were most interested in politics in the community, to come and meet in my electorate office. That group met a number of times and we discussed a lot of issues that were of concern to those students. Even as a young member of parliament, I am nearly double the age of most of these year 11 and 12 students, but I am very much aware that a lot of the stereotypes about young people really are not correct and that there are young people who are taking a great interest in the community and who are passionate about making sure that the world around them is a better place to live. They may find it a little easier to talk to me as a young member, but they still have concerns that are quite different generationally. I have been very pleased that they have been able to raise a range of issues with me.
With a little bit of encouragement, they have decided to set up a group which they are calling ‘WYSAN UP’; that is, asking the rest of the community to wise up a little bit about the needs of our youth in the community but it is also an acronym which stands for Western Youth Support and Action Network. Now that a number of those students have left school, this group intends to still maintain an interest in the students at the schools that they have left and involve other young people who are going off into the workplace and to university and get them to participate in the community in a range of ways. We are going to meet with them and talk about lobbying. We are going to ask the local paper to run a column from this group. We are going to talk to the councils about whether they will look at setting up youth councils.

The students themselves have already identified a number of issues that they have got immediate concerns about—for example, the rights of young people in the workplace, especially as some of them enter the workplace; ways to promote drug education amongst young people, particularly using other peers to educate them and former young users. They are very concerned about youth suicide. They are interested in setting up a peer support program and providing information to others in the community about scholarships that are available within our region. They also have identified local youth housing, government support for young people and apprenticeships and training as issues that are of great concern to them. I think it is commendable that they are prepared to take a bit of a leap and that they are going to actually ask the community and representatives like me to take on their issues. I look forward very much to working with them. In particular, I want to congratulate Luke Bond, Cameron Wilson, Fiona Garlick and Tuanh Nguyen. There are also others like Imogen Ryrie, Luke Sammut and Hamza El Kurdi, and others who I hope will be more involved in the future.

Time expired

Mr LINDSAY (Herbert) (9.49 a.m.)—I would like to pay a very big tribute indeed to Telstra and Telstra Country Wide for the very proactive way in which they have been supporting regional Australia. Only two weeks ago, I was very pleased indeed to announce 209 new full-time jobs in the Telstra call centres in River Quays in Townsville. Those 209 new full-time jobs from Telstra in the CBD of Townsville have been a magnificent boost to the economy. That was on the back of 110 new full-time jobs in the Centrelink call centre. The Telstra call centre has an Australia-wide reputation in that it has won international awards for customer service. When the new staff come on board, the Telstra call centres in Townsville will be the largest call centres in regional Australia. That is a feather in the cap for Townsville, as you might imagine.

On top of that, last Friday I opened the Telstra Country Wide office in Townsville. John Hooper and his team are doing a terrific job. Telstra’s philosophy is also terrific: local problems are now solved by local people, and local decisions are made for the local community. That process is working extraordinarily well because of the foresight of the Telstra board. The Queensland manager, Don Pinel, the northern Country Wide manager, John Hooper, and all the team under him are delivering customer service right on the ground where it is needed. It is the public face of Telstra, which has been missing for so long.

Other exciting things are happening in Townsville and Thuringowa. I am very pleased to be able to say that a letter will go today from the Deputy Prime Minister and Minister for Transport and Regional Services, John Anderson, to the state Minister for Transport and Minister for Main Roads, Steve Bredhauer, on the long-awaited Douglas arterial road, the most significant new road project in the Townsville region. It is a $40 million project. A lot of water has gone under the bridge to try to get the project up, and we are seeing some pretty good cooperation now between the federal government and the state government. I am pleased to be able to say that the letter that will go today to the state government meets the conditions of the
local state members and, I hope, the state Minister for Transport, to enable this road and bridge project to get going. You know as well as I do, Mr Deputy Speaker Nehl, that road projects in electorates are seen by the community as being very important indeed and are widely welcomed. I hope that we will get the project going as soon as possible.

**Liquefied Petroleum Gas**

Mr RIPOLL (Oxley) (9.52 a.m.)—I want to raise a most serious problem that is occurring not only in my electorate but right across Queensland and around Australia—the potential collapse of the LPG autogas industry. It has come about in recent times because of a range of factors. In particular, the collapse in the industry has come about because of the increased cost of LPG at the bowser—a cost that, depending on the source you look at, has risen by more than 300 per cent in the past 18 months.

One might ask, ‘What effect is this increase in price at the bowser having not only on ordinary people who use LPG but also on the industry itself?’ The sale of installation kits and the conversion of cars have almost come to a complete halt. Nobody is converting their cars, not only because it is expensive to do so—about $2,000 to convert a car to gas—but also because of the extra GST costs involved in conversion. On top of that, as everyone knows, the price of LPG has gone up as a distinct result of the introduction of the GST.

_Government members interjecting_

Mr RIPOLL—Government members say, ‘Oh, oh, that is not true.’ Let us have a close look at it. Let us compare the price of LPG before and after the introduction of the GST. Before, there was no excise and there was certainly no GST, but at the time of the introduction of the GST the price of autogas skyrocketed.

Mr Baird—Are you going to take it off?

Mr RIPOLL—If you do not believe me, go and talk to your constituents. Go and talk to ordinary people who use LPG every day. Government members always come back with this, ‘Are you going to take it off? Are you going to take it off?’

_Government members interjecting_

Mr RIPOLL—The quick and easy response to that is that the government makes these decisions for all Australians. The government goes out there and rips off the ordinary consumer and then turns around and says, ‘Don’t blame us; we’re just the government. Don’t look to us; look to the opposition for a solution.’ You look to us for a solution because you do not have one—it is as simple as that. You cause the pain and then you walk away.

Mr DEPUTY SPEAKER (Mr Nehl)—Order! No, the chair has not caused the pain. You will address your remarks through the chair.

Mr RIPOLL—You are right, Mr Deputy Speaker, as the chair of this Main Committee you have not caused the pain, but the government certainly has. In a media statement, the ACCC said that soaring LPG prices were caused by a combination of things—and I will be pretty honest about this—including high world prices. High world prices are, in some part, a reflection of the increased price of a barrel of oil. But the ACCC went on to refer to the GST. Further, it went on to say that prices have risen by more than 300 per cent. I can tell you what this is doing in my electorate: it is hurting ordinary people, and the government is responsible. (Time expired)

**Royal Australian Air Force: Airborne Early Warning and Control System Aircraft**

Mr CAMERON THOMPSON (Blair) (9.55 a.m.)—I thought I would use the opportunity this morning to get across a little bit of information about developments at RAAF Amberley and the much discussed airborne early warning and control system contract. The member for Oxley has been very keen to get on the record the idea that this work is not going to go ahead
at Amberley, but the fact is that the decision has not been made. What has to be decided is whether four, six or seven airborne early warning and control aircraft will be ordered and built for Australia. According to Mr David Gray, the head of Boeing in Australia, that decision need not be made for two years.

Members might remember that the initial proposal to build airborne early warning and control aircraft was put forward prior to the East Timor excursion. In the wake of East Timor, we had the white paper. The white paper set out very comprehensively the needs of the defence of Australia in the wake of East Timor. It made many changes to the priorities and to the way in which we set about defending this country. We have a decision to make about the numbers of airborne early warning and control aircraft; we also have a decision to make about whether or not there will be other priorities.

Members opposite have been running an entirely hopeless policy. They want to give Australia extra submarines, extra battalions and extra ships. They want to have all those things, but the one thing they will not say is whether they will have four or six aircraft.

Dr Martin interjecting—

Mr CAMERON THOMPSON—You have not made a commitment about building six or eight—

Mr DEPUTY SPEAKER (Mr Nehl)—Order! The chair is not involved in this.

Mr CAMERON THOMPSON—Mr Deputy Speaker, I am talking about members opposite and their commitment, or not, to the white paper. They have failed to give Australia—or Ipswich—any commitment about whether they will build four or more airborne early warning and control aircraft. I challenge them to say otherwise. In fact, they have done their best to talk down the capacity of Ipswich to undertake this work—and, in fact, we can do the work in Ipswich.

Dr Martin interjecting—

Mr DEPUTY SPEAKER—Order! The member for Cunningham knows better.

Mr CAMERON THOMPSON—Indeed he does. In fact, there are many advantages from building six or seven aircraft. One is that we will be able to control any future upgrades of the technology. We will also have control of the development of those aircraft over time.

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

FOREIGN AFFAIRS AND TRADE LEGISLATION AMENDMENT (APPLICATION OF CRIMINAL CODE) BILL 2000

Second Reading

Debate resumed from 6 December 2000, on motion by Mr Downer:

That the bill be now read a second time.

Dr MARTIN (Cunningham) (10.00 a.m.)—I indicate at the outset that the opposition is pleased to give bipartisan support to the Foreign Affairs and Trade Legislation Amendment (Application of Criminal Code) Bill 2000. The shadow minister for foreign affairs and trade would have been here to present the opposition’s perspective on this bill, but he is not in parliament this week as he is travelling overseas in the Middle East. Nevertheless, on his behalf I can say that the contribution that will be made on this side will be short because of that support which we certainly give to the legislation. In fact, the legislation is part of the broad project of developing and implementing a national uniform criminal code. This is occurring across all portfolios, with the intention of ensuring that all Commonwealth criminal offences have standard formulations of the elements of intent, fault, burden of proof and penalty.
As the foreign minister himself noted in introducing the bill, the Commonwealth and state and territory governments agreed to develop a national criminal code by 2001. A key element of that development was the enactment by the Keating Labor government of the Criminal Code Act 1995. The schedule to that act, the Criminal Code, enables the most serious offences against Commonwealth law to be codified and also establishes a cohesive set of principles of criminal responsibility. An important step in the process of finalising the Criminal Code is to ensure that all offence creating and related provisions throughout Commonwealth legislation are drafted in a manner that is compatible with the principles established by the Criminal Code.

Therefore, the purpose of this legislation— one of a series of bills being introduced into this parliament on a portfolio by portfolio basis—is to apply the Criminal Code to offence creating and related provisions within 11 foreign affairs and trade portfolio statutes. These laws include, among others, the Chemical Weapons (Prohibition) Act 1994, the Comprehensive Nuclear Test-Ban Treaty Act 1998, the Nuclear Non-Proliferation (Safeguards) Act 1987, the Diplomatic and Consular Missions Act 1978, the Export Finance and Insurance Corporation Act 1991 and the Passports Act 1938. These are important statutes which underpin the proper and efficient implementation of a range of Australia’s international obligations and, in respect of the Passports Act, ensure the integrity of Australian passports as highly reliable documents of identity.

The explanatory memorandum for this bill observes that the application of the Criminal Code to all offences will improve Commonwealth criminal law by clarifying important elements of offences, in particular the fault elements. At present, many hours of court time are wasted in litigation about the meaning of particular fault elements or the extent to which the prosecution should have the burden of proving these fault elements.

The major forms of amendment affected by this bill are (1) the application of the Criminal Code to all offence creating and related provisions; (2) deletion of references to some Crimes Act 1914 general offence provisions, which duplicate provisions of the Criminal Code and replace these with references to equivalent Criminal Code provisions; (3) the application of strict liability to individual offences or specified physical elements of offences; (4) reconstruction of provisions in order to clarify physical elements of conduct, circumstances and result; (5) removal or replacement of inappropriate fault elements; and (6) repeal of some offence creating provisions which duplicate general offence provisions in the Criminal Code.

As indicated a little earlier, in his second reading speech the foreign minister said he anticipates that the clarification of the law affected by this bill will save many hundreds of hours of court time. It remains to be seen whether the benefits will be quite as dramatic as this but, nevertheless, it is a welcome improvement. Given the technical nature of the amendments in this and other portfolios, it will only be over some period of time that any glitches or complications will become apparent. We will need to monitor the application of the amendments across portfolios and move to redress any anomalies or problems which arise. That said, the opposition is pleased to support this legislation which is part of a broad bipartisan project to give Australians greater certainty, protection and confidence under the criminal law.

Mr BAIRD (Cook) (10.04 a.m.)—I also rise to support the Foreign Affairs and Trade Legislation Amendment (Application of Criminal Code) Bill 2000 and to commend the ministers involved in introducing this bill. Obviously, as the shadow minister has mentioned, it is a coordination of the Criminal Code Bill throughout all areas of administration. The bill arises as a result of an agreement between the Commonwealth and the states and territories in 1993 to develop a national uniform criminal code. It was to be developed by 2001, so that is why we are seeing it coming into the House at the moment.
Probably the most significant changes made by this bill are those that expressly apply strict liability to the offence creating provisions of the original act that it amends. They are applied in this way so that the strict liability nature of some provisions is not lost in the transition to the new Criminal Code. One of the reasons for having a uniform criminal code is that it is clear to both sides of the House that it will ensure consistency in establishing a cohesive set of principles of criminal responsibility across Australia. That, of course, is part of the significant aspect of it.

The commencement of the Crimes Act 1914 created a number of Commonwealth offences, most of which concern conduct towards and conduct of Commonwealth officers and Commonwealth property. The vast majority of the Commonwealth offences created by that bill pertained to portfolio areas like environment, health, banking and insurance—areas that predominantly fall under Commonwealth jurisdiction. There were some areas of inconsistency and some grey areas in the legislation, so it was decided to bring in this uniform code.

In the mid-1990s, the Standing Committee of Attorneys-General decided to put the issue on their agenda at the suggestion of a group of interested parties that was pushing for the reform of criminal law. A model criminal code to SCAG was developed in mid-1992. Fifty submissions were taken into consideration before releasing the final report in 1993. In this report, SCAG agreed that we would have a uniform code by 2001—which is why we are discussing this legislation today.

As part of the program of moving towards a uniform criminal code, the Criminal Code Act of 1995 was enacted, which set out a staggered timetable for this legislation to be amended and to apply to all Commonwealth offences legislated by government. From 15 December this year, it will apply to some pre-existing Commonwealth offences. In order to meet the deadline, since the middle of last year the government has introduced a large number of bills in various portfolios. Those portfolios include Treasury, justice, environment, heritage and veterans’ affairs. This bill is one of that series and applies the Criminal Code to the Foreign Affairs and Trade portfolio.

The changes made by this bill are all mechanical and I only intend to cover them briefly. Put simply, the purpose of them is to ensure that offence-creating provisions will be interpreted in the same manner as they are currently, following the introduction of the Criminal Code, which particularly relates to the Foreign Affairs portfolio. The amendments are made to legislation that has been very important in Australian foreign policy, and pertains to some of the most significant international agreements that we are party to.

We welcome the foreign minister to the Main Committee and commend him on the legislation before the House. The amendments cover such legislation as the Chemical Weapons (Prohibition) Act of 1994, the Comprehensive Nuclear Test-Ban Treaty Act of 1998 and the Nuclear Non-proliferation (Safeguards) Act 1987. With regard to the Chemical Weapons (Prohibition) Act, this legislation harmonises existing law with the universal criminal code by applying the fault elements of ‘intentional’ or ‘reckless’ to several offences that relate to the creation, development or stockpiling of chemical weapons, all of which are obviously forbidden under the legislation.

A chemical weapon can use agents like chlorine to irritate lungs; hydrogen cyanide, which kills by depriving the blood of oxygen; vesicants—mustard gases—which can cause blistering and lung damage; and nerve agents such as sarin. We are all aware of their potential dangers, brought home so vividly during the Gulf War in the 1990s, when it was feared that Saddam Hussein might have already developed chemical weapon capability. These are weapons with a sinister edge and I am pleased to note that Australia has always played a leading role in international opposition to the development and production of chemical weapons. We commend the minister for his leadership in that area. Australia, in fact, is widely recognised as having
played an important role in the success of the chemical weapons convention, having been one of the first countries to ratify the treaty, and having promoted it among the countries and major businesses of our region.

I turn now to the Nuclear Non-Proliferation (Safeguards) Act 1997. Australia has always played a vocal and constructive role in nuclear non-proliferation negotiations. We voiced our concerns particularly loudly when, a couple of years ago, Pakistan and India began testing nuclear weapons in contravention of the overwhelming international desire that these weapons not spread any further. We have also contributed well over $14 million to the Korean Peninsula Energy Development Organisation in order to encourage the denuclearisation of the Korean peninsula. This is particularly commendable in terms of the move towards bringing together the two Koreas. The bill removes references in this act to sections of the Crimes Act 1914 dealing with ancillary offences, and replaces them with the relevant sections of the Criminal Code. Offences regarding the failure by former authorised officers to hand in identity cards and failure of persons to give information when requested are also harmonised.

Similarly, a change in terms of failure to return an identity card when a person ceases to be an inspector is made in regard to the Comprehensive Nuclear Test-Ban Treaty Act 1998 and the South Pacific Nuclear Free Zone Treaty Act 1986. The bill will apply the provisions of the Criminal Code to the International Organisations (Privileges and Immunities) Act 1963, and it will also ensure that the particular offence of strict liability relates under that act to unauthorised use of symbols, logos, motifs and other representations of international organisations. This legislation also applies the new Criminal Code to the Australian Trade Commissions Act 1985, the Diplomatic and Consular Commissions Act 1978, the Export Finance and Insurance Corporation Act 1991, the Passports Act 1938 and the Registration of Deaths Abroad Act 1984.

The bill assists in the broad application of the Criminal Code and, particularly, applies it to foreign affairs and trade. I commend the Minister for Foreign Affairs for bringing this bill into the House to be implemented by the agreed date of 2001. I commend him also for his leadership in regard to the acts I have mentioned, particularly in relation to the Chemical Weapons (Prohibition) Act, which he has been administering, and internationally in relation to the nuclear non-proliferation act and the Comprehensive Nuclear Test-Ban Treaty Act 1998. This bill will assist him in terms of our legal provisions in making the requirements uniform with the Foreign Affairs and Trade Legislation Amendment (Application of Criminal Code) Bill 2000. I commend the bill to the Main Committee.

Mr DOWNER (Mayo—Minister for Foreign Affairs) (10.12 a.m.)—In concluding the debate on the Foreign Affairs and Trade Legislation Amendment (Application of Criminal Code) Bill 2000, may I say that I appreciate the contributions that have been made by honourable members. I particularly appreciate the contribution by the member for Cook, who has shown an interest in this bill and in many of the issues that it alludes to.

Given that this is a completely uncontroversial bill, I do not think there is any need for me to say very much more about it at this stage. I would just say that when the codification which is incorporated in the bill is finalised it will represent a very significant improvement to the existing Commonwealth criminal law, where serious criminal offence provisions are currently scattered through the broad range of legislation. The bill applies the Criminal Code to all offence creating and related provisions in acts falling within the Foreign Affairs portfolio, and makes all necessary amendments to those provisions to ensure compliance and consistency with the Criminal Code’s general principles.

The member for Cook spoke a little about some of the pieces of legislation that this codification relates to—the Chemical Weapons (Prohibition) Act, the Comprehensive Nuclear Test-Ban Treaty Act, the Nuclear Non-Proliferation (Safeguards) Act and so on. These are very
important components of Australia’s contribution to arms control and disarmament. I think it is has become something of a great Australian tradition on both sides of politics that we have been able to contribute so much in these areas, from the work Australia did on the development and eventually the introduction, by coalition governments, of the nuclear non-proliferation treaty, back in the 1960s, through to the work that was done by the former Labor government on the chemical weapons convention. My predecessor, Gareth Evans, was very active in drawing up and implementing that convention. To claim something for myself: we worked to bring into effect the comprehensive nuclear test ban treaty, which was another of the great achievements of Australian policy in this area of arms control and disarmament.

We have enacted legislation in our country to implement the provisions of those treaties. Although all that this legislation does is to clarify the Criminal Code in relation to those acts, it is an opportunity for us to reflect on the very long and great tradition this country has in providing a commonsense input to the global debate about arms control and disarmament. It is something that we will be continuing to do in the months and years ahead. As the foreign minister I appreciate it that this is a completely uncontroversial piece of legislation. It saves me a lot of time if my legislation is uncontroversial. With that in mind, I commend the bill to the Main Committee.

Question resolved in the affirmative.

Bill read a second time.

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

COAL INDUSTRY REPEAL BILL 2000
Second Reading

Debate resumed from 28 June 2000, on motion by Mr Entsch:

That the bill be now read a second time.

Mr MARTYN EVANS (Bonython) (10.16 a.m.)—With respect to many of the things which often go without saying because they are so self-evident, we are inclined at times to forget their importance. Energy, and coal, is one such commodity. Coal is such a part of our national life and has been for so many years that it is easy to take the commodity, the export income that it provides and the energy that it generates for our homes, commerce and industry for granted. But that would be a very serious mistake because coal is one of our most significant commodity exports, if not the most significant commodity export, contributing some $9 billion to our national export quota. It is a significant contributor to GDP.

Over many years, energy usage, and in particular coal usage, has changed quite dramatically. We need only look back 100 years to see the way in which world energy usage has changed. In those days, coal was very much the dominant influence. Over the next half a century, it continued to be the most important single factor in energy production and was a very significant part of the Australian east coast economy, to say nothing of the developing world.

The rationale for the Coal Industry Repeal Bill 2000 is that, in the days following World War II, the significant importance of this one commodity justified very significant and special treatment in a legislative and community sense. The Commonwealth and New South Wales agreed that it would be an important step forward in the development of this industry if they were to combine, in mirror legislation, to establish a Joint Coal Board of the Commonwealth and New South Wales parliaments and governments, which would allow somewhat greater input into the development of what was then, and remains now, a vital industry for Australia.

The Joint Coal Board, in the days since it was established in 1946, has undertaken some very important work in the mechanisation of the industry, in dramatically improving mining and safety standards—I will have more to say about that shortly—and in establishing some
very important community facilities in those areas where coal is mined, many of which city
dwellers take for granted, including things like recreational facilities and parks and gardens,
as well as the actual utilities which the towns in those coal areas depended upon.

The board ensured that there was investment in mechanisation, which has contributed so
much to the productivity of the industry, and investment in worker safety, which should al-
ways have been the highest priority of the industry and perhaps in recent years has actually
taken that position, whereas in earlier days there were some significant fatalities and serious
injuries. Obviously, we need zero tolerance for mine deaths and injuries, something which the
industry is now conscious of; certainly, it is something which the board has helped to foster
within the industry, particularly in recent times.

One may gather from those remarks that the Joint Coal Board has been, in the 50-odd years
of its existence, very successful in promoting the objectives which those who established it all
those years ago had in mind. That is a very valid conclusion. But the board, like any organi-
sation which has been so successful, can in some respects be the author of its own demise.
Because of that success and the condition in which the industry now finds itself, and because
of its highly competitive nature and the very significant overseas demand and need for entre-
preneurial activity in the industry by way of management of many of the processes which the
industry uses, it is probably quite appropriate that the Commonwealth should now step back
from its involvement in the Joint Coal Board and allow this to be a state issue in New South
Wales—as it is in every other state. There is no longer any compelling reason, any national
justification, for the Commonwealth to be involved in the management of a joint coal board in
New South Wales when it is not in any other state. New South Wales is quite capable of man-
aging and running its own coal industry.

The negotiations in recent times between the stakeholders—the New South Wales and
Commonwealth governments, the various unions involved and the industry—have been rela-
tively successful. As I understand it, some matters remain to be negotiated and resolved: the
mirror legislation in New South Wales is yet to be introduced and passed, and the Common-
wealth legislation will not be proclaimed until such time as there is complete agreement. That
would certainly accord with the opposition’s view in this matter, because we prefer this to be
done by consensus and agreement between the unions, the industry, the New South Wales
government and the Commonwealth government, which is stepping out of involvement. It is
important that that takes place, and I would appreciate an assurance from the Minister for In-
dustry, Science and Resources and/or his parliamentary secretary that it will be the primary
consideration in the proclamation of this legislation at some point in the future. Agreement of
all of the parties, including the workplace through its representatives, is vital and we would
not expect changes to proceed until that step has been achieved.

Let me turn to the more mechanistic provisions such as for the funding of superannuation.
The board has been involved in a whole range of activities, from picking up the unfunded li-
abilities of the super fund some years ago to workers’ compensation measures, and it has as-
isted in ensuring health standards. For example, the black lung which was so prevalent years
ago has been dramatically reduced, and some very important steps have been taken by the
board to ensure not only the productivity of the industry but also the safety and security,
health and welfare of the work force. These considerations have been very important over
time, and we should never lose sight of them.

The coal industry is very important to Australia and, indeed, to the world as a whole. Coal
remains one of our important sources of energy, but it is a controversial source in the context
of a greenhouse challenged world. That is an issue which we must all address in the years to
come. However, the reality is that, in the immediate- and medium-term future, coal—in par-
ticular, but along with other fossil fuels—will remain one of our most significant contributors
to energy. So we need to look at ways of ensuring that the coal itself is able to generate that
energy in the most efficient and least carbon intensive manner. That is very important because, obviously, coal is mainly carbon. Except where it has a significant component of water, as in the case of the Victorian brown coal—which makes up for that by being substantially cheaper—the burning of the carbon in the context of generating electricity produces significant pollutants, including one which is now recognised as a pollutant but was not so recognised until recently: carbon dioxide.

Significant work has been undertaken in eliminating many of the other traditional pollutants—the nitrous oxides, the sulphur dioxides, the particulate matters and other components of the gas stream which come out of the burning process. This has been particularly important in ensuring that these plants are environmentally acceptable to the community in the traditional sense. I think modern plants can now lay claim to being very low pollution devices indeed, provided that they are properly operated. This is true especially of the most recent and modern plants. Those which are operated in the developing world and some of the older plants in Australia are, unfortunately, still significant contributors of traditional pollutants and are very substantial contributors of carbon dioxide.

One of the best things Australia and the developed world can do in the short term to contribute to both the removal of traditional pollutants from the atmosphere and the removal of carbon dioxide is to ensure that their own plants are efficiently operated, that the latest technology, which is significantly better than previous technologies, is implemented in their own power plants and that the developing world has access to this new technology. It is a far better use of our resources to ensure that they have access to that technology and that they have some of the most efficient plants as against those which they now operate or which they propose to build in the medium term, because that is one of the best ways of reducing the overall pollution load on the planet’s atmosphere. That would be a far better contribution to the future of the planet. Of course, few people really take this aspect into account. The transfer of technology and funding which would allow that to occur in the developed world would be a very significant contributor to our joint futures in this matter.

In Australia coal has enormous potential to be a cheap source of energy into the future, but to do that we have to be very conscious that research is required to ensure that it is at world’s best practice and that we continue the downward trend. Unfortunately, the government, in its greenhouse response and in its response to the industry as a whole, has really failed to address in any significant way—although there are some initiatives that I will speak about in a moment—the need for a massive investment in R&D into the use of coal technology. That would allow us to continue to use coal for some time but still be a responsible environmental and global citizen and still take advantage of the cheap energy which Australia has always relied on and which remains to a large extent our competitive advantage.

All of the coal initiatives in recent times—the CRC for sustainable energy and the clean coal technology initiatives—are vitally important. Coal in a Sustainable Society, for example, is undertaking research into the lifecycle analysis of coal and other energy sources to provide full information to consumers and the government. The much touted hydrogen technology—hydrogen cars are an example, and this is something that I support in an energy context—is claimed to be a source of energy free of carbon dioxide pollution, and indeed most other pollutants. But I refer to this as a pollution elsewhere technology, because the reality is that, while the use of that hydrogen in a vehicle at the time of combustion is relatively pollution free, to generate that hydrogen one requires the significant consumption of energy and the production of other pollutants at other times and other places.

We need to understand the lifecycle analysis not only of hydrogen but also of coal in its use for power generation, steel production and a variety of undertakings in comparison with natural gas and other energy generating technologies like biomass and so on. Unless we take into account the pollution production, including CO₂, of these energy technologies, from the cradle
to the grave, so to speak, we will not properly understand the overall impact that they have on our environment. It is very important that the government contributes far more than it has already to these technologies. The industry is contributing on a significant basis, and I encourage it to continue to do that, because it is its own future that we are looking at here.

Certainly, the Australian national interest will be best served by having significant investment in research into what I might broadly characterise as clean coal technology and improving the efficiency of the use of coal technology. In that way, we can continue to use what has been a very important source of cheap energy for Australia. That combination of investment by the government, investment by the industry, retrofitting of older plants where that is relevant and, most importantly, the transfer of this technology to developing countries, represents the most significant contribution that we can make to the overall advantage of our own $9 billion a year coal export industry and to the world as a whole.

In supporting this legislation in the context which I have already outlined, I conclude by mentioning one of the most important areas in which the Commonwealth government, at a national level, can continue to provide leadership in this industry—that is, apart from the environmental questions that I have discussed, the issue of mine safety and worker safety. We must have a zero tolerance policy in respect of mine accidents, mine injuries and mine deaths at any level. We must ensure that this culture is spread throughout the industry.

While the Joint Coal Board, which we are referring to this morning, had a very important role to play in that regard, a lot of work remains to be done. There needs to be Commonwealth government leadership, not just in relation to the New South Wales industry but in relation to the industry as a whole. There are 18,000 to 20,000 workers in New South Wales and Queensland alone, plus those who work in the alternative brown coal industry in Victoria, plus those in other parts of the country to a lesser extent, including in my own state of South Australia, which has significant deposits in Leigh Creek and elsewhere. That issue of mine safety remains paramount. It is an area where the Commonwealth government probably has minimal legislative and day-to-day management responsibility but where it can take an overall leadership position in ensuring that industry and state governments remain fully conscious of the need for zero tolerance and adapt the latest world’s best practice on standards and performance issues in mine safety and mine management.

You cannot impose industry-wide directives which specify precisely how each mine will be run ‘safely’. The reality is that this is a day-to-day management decision and a decision by each individual throughout the work force who is involved in the mining process to ensure that safety standards are at the highest possible level. It is a responsibility of the individual at the coalface—in this case literally. That responsibility also heads right back through management, through the supervisory staff, right through to the board of directors of the company which owns the resource. That responsibility must be shared equally by those groups. They each have a responsibility to ensure the adequacy of their own performance in this matter. At the very top of this process, the Commonwealth government has the responsibility to ensure there is national leadership by talking with industry and state governments, convening groups where necessary, ensuring the publication of statistics so that we can monitor these activities, and ensuring that everyone is aware of the importance of this issue.

In supporting the bill on the basis that I have outlined, importantly, there is the need finally to conclude the negotiations with the New South Wales government, with industry representatives and with the trade unions involved, to make sure that everyone’s position has been appropriately taken into account in relation to the legislation. With that qualification, the opposition is happy to support the measure—indeed, because it reflects so much about Australia’s industrial capacity both historically and, I believe, into the future.
Mr ANDREW THOMSON (Wentworth) (10.34 a.m.)—There are no coalmines in the seat of Wentworth, and I do not think there ever will be. I have to say that the income that people enjoy in parts of my electorate, certainly when you look at it by postcode, is among the highest in the nation. As the previous speaker, the member for Bonython, said, coal energy and the support that it gives to the Australian economy should never be taken for granted. Hence I chose to speak on the Coal Industry Repeal Bill 2000.

I do so for another reason. Nothing gives me more pleasure around Canberra than to see the Commonwealth withdraw from having something to do with an activity that could be better done by a state government. I am very much a federalist in these matters and I do think that, over the years as power has relentlessly found its way to Canberra and as the powers in section 51 of the Constitution have been more and more loosely interpreted, the quality of government has not necessarily travelled along the same path. So it is a fine thing to see the national parliament handing back control over some particular instrumentality to a state—in this case the Joint Coal Board. The very name, the Joint Coal Board, takes you back to the middle decades of this century when governments tended to set up boards to control things. I think we could do well to withdraw from a few more of these.

In an abstract sense people think of energy as a matter of national security, as something that is very important to the idea of protecting one’s sovereignty even and one’s safety in a dangerous and sometimes difficult world. This debate has emerged in the context of the bid by Shell for Woodside. I will not say anything more about that other than to support the notion that some security of energy supply is important. In Australia’s case it is clear that our comparative advantage lies squarely with the low cost of energy that coal provides us. This is especially so in Victoria and especially so in the seat of McMillan—and the honourable gentleman from McMillan is sitting on the other side of the chamber.

The debate on coal, energy and so forth leads inevitably to Kyoto and the events of the last week from Washington and through other capitals in Europe. Things were said by heads of government about the protocol negotiated at Kyoto that attempted to regulate carbon worldwide. The failure of that attempt is now very much on the agenda in Canberra too. There are some things about the science underpinning the Kyoto protocol that ought to be said fairly clearly. The first is that the greenhouse effect is not something new. It is in the minds of some people that this has recently been discovered and is inevitably linked to the amount of carbon dioxide in the atmosphere. This, of course, is rubbish. There has been a greenhouse effect on this planet ever since it came into being. Water, clouds and vapour in the atmosphere trap sunlight or infra-red energy and hence keep the surface of the earth warm. Otherwise we would simply freeze every night, as would be the case on the moon, for example, where there is no water.

There has always been a greenhouse effect. What is under debate now is whether or not that greenhouse effect—what is called ‘forcing’ in meteorological science jargon—is increasing the temperature on the surface of the earth as a result of the increase in carbon dioxide in the atmosphere. There is no argument that carbon dioxide concentrations are increasing. Last night at a private meeting of the Joint Committee on Treaties, Dr Stephen Schneider, an American scientist, provided us with graphs. One graph shows CO2 concentrations purporting to go back to around 1,000 years and then projects the possible increases henceforth. The curve rises exponentially. I seek leave to table that graph.

Leave granted.

Mr ANDREW THOMSON—Increases in CO2 in the atmosphere for the last 100 to 150 years or so are a fact. The next step in the debate is: what is the nature of the nexus between carbon dioxide in the atmosphere and climate. This gets down to what are known as GCMs—global climate models or general circulation models. These are the mathematical equations
that scientists involved in research into this area have been using to try to prove a connection between carbon dioxide and temperature increase.

Temperature has always fluctuated on earth for reasons that are not well understood. Some factors, such as the movement of ocean currents, give rise to different fluctuations in average temperature from year to year, decade to decade or century to century in different parts of the world. You can see that the cycle of temperature change in the North Atlantic, for example, will be different to that in the Pacific, where ocean currents, which give rise to El Nino and La Nina phenomena, have a different effect on the climate here. When you try to model the whole planet according to these projections or according to these hypotheses, you get something that is terribly complicated—so much so, to be frank, that in the inquiry that the treaties committee have been carrying out we have simply been unable to obtain a clear explanation of how these models work.

These projections contain various hypotheses rendered into mathematical equations which, according to some of the scientists, take account of what are called stochastic variations—that is, random events. For example, you might have a sudden seismic movement in the Antarctic which will give rise to a surge of ice down the glaciers. This will have an effect on the currents flowing around the Pacific which, in turn, will have an effect on the climate. In these models, it is supposed that the random nature of some of these seismic movements is taken into account. I frankly find this difficult to believe, but it was said to us by some of these scientists and, for the time being at least, it is open to debate whether the models in that respect are reliable.

What is going to happen henceforth with this research is probably of more importance to us. When people say that the science is certain or the science is in doubt, it is not quite accurate to say that. It is more that the science is still developing. For example, research into the issue of water vapour, and a phenomenon described as ‘venting’ in the Pacific, has been drawn to my attention recently. I note that in an article in the Financial Review today, Peter Walsh, a former senator, alluded to a piece of research conducted by three scientists from NASA’s Goddard institute which is in Cambridge, Massachusetts. The three scientists—Richard Lindzen, Ming-Dah Chou and Arthur Hou—published an article in the Bulletin of the American Meteorological Society entitled ‘Does the earth have an adaptive infrared iris?’ This is a very interesting piece of research. By observing the cloud cover in the tropics, particularly in the tropical area between Australia and Japan, these scientists discovered that in certain places where the surface temperature of the earth increased or was higher than in the surrounding areas, the cloud cover above that particular area was much less than it was in the surrounding areas. They state:

... it has been found that the area of cirrus cloud coverage normalised by a measure of the area of cumulus coverage decreases about 22% per degree Celsius increase in the surface temperature of the cloudy region.

What this in a sense means is that where a particular spot on earth—in this case in the tropics—heats up very quickly, it may be that the clouds will naturally open, as the iris of your eye will open or close according to the ambient light, and allow some of the infrared energy, that is the heat, to vent back out through the atmosphere. So it may be—and this is again hypothesising—that the atmosphere itself can adapt to increases in temperature of a cyclical nature or even increases of temperature caused by, if it is true, increases in carbon dioxide. That is to say, it has been assumed all along that carbon dioxide is going to increase. Therefore, according to the greenhouse effect, temperature will increase somewhere between, according to the latest estimates of the IPCC, 1.5 degrees and 5.8 degrees in the next century.

Put aside the enormous difference in those estimates and ask yourself this: is the atmosphere something static? Is it simply a mathematical equation, such that A plus B will always equal C? Or can the atmosphere itself adapt to changes that might be happening within it?
These things, of course, are hypotheses; they are uncertain. But if they are true, and if it is the case that the earth will adapt to an increase in carbon dioxide in the atmosphere and the estimates of temperature increase are wrong—that is to say, they will not increase by that much—then to take measures now to cap emissions, to raise the cost of energy by an enormous degree in an economy such as Australia’s now, would be quite simply foolish in the extreme until the research on this is much more certain. The risks of doing that are far too high.

There are other aspects of the science that are still evolving and developing now and that are not included in these GCM models; hence the reliability of them remains, I believe, in question. For example, the west Antarctic ice sheet contains enough water in it to raise the sea level on the surface of the earth by five metres. If the ice in the Antarctic were all to melt, the sea level would rise five metres. That would be the end of us: ‘It’s all over, Red Rover.’ What is the state of that ice sheet? Some say that, as the temperature is going to rise according to the models, it is going to melt anyway, so we are all ‘rooned’, to use a phrase these days. But on the other hand, surging or streaming of ice from the glaciers in the Antarctic—which is a land mass, of course—happen not simply as a matter of ambient temperature but also because of seismic events underneath it. If random or predictable types of seismic events are going to cause a greater surging of ice in the future, then this will have the effect of raising the level of the sea in any case, regardless of what happens in the atmosphere.

So, in one way, the debate about Kyoto, about global warming as it is described, is missing the point if these things are going to happen for reasons other than temperature, or if they are not going to happen because of the earth perhaps even adapting to anthropogenic changes, or even if the ocean, which sequesters carbon, may adapt. That is another piece of research that is worth noting: in volume 407 of the journal Nature from October last year, a review article published by two scientists, Daniel Sigman and Edward Boyle, pointed out that the sequestration of carbon in the ocean interior by a ‘rain’, as they call it, of organic carbon out of the surface of the ocean is something that they describe as a ‘biological pump’ and is not yet quite understood and explained. That is to say, they talk about the presence of a concentration of carbon dioxide in the ocean and in the atmosphere going back during the Ice Ages as being something that is not understood. Likewise, just as the atmosphere itself may adapt to an increase in carbon dioxide, it may well be that the ocean will do so too and will absorb more of it; and hence this will have an effect on the models. These things are not yet in the models. I would urge those interested in the debate in the future, and particularly those in government, to spend more time on research that is not so much directed by the IPCC, which seems to regard itself as the custodian of the science of this question, but that goes into some of the surrounding areas that would tend to question what those involved in the IPCC are doing—because, if there is anything valuable going to come out of this debate or this issue, it will be a genuine debate between the scientists.

Lastly, on coal and the question of carbon leakage, as it has been described, no-one should be under any illusion as to the ruthlessness with which large multinational corporations and other custodians of capital will make investment decisions in the future, based on the cost of energy. It is simply fantasy to imagine that, where there are differences in the regimes regarding the emissions of carbon dioxide—if that is to be the case in the future—investment will not naturally shift to where the return on equity will be higher as a result of those differences. That is to say, if Australian governments are so foolish as to attempt to initiate a carbon withdrawal regime in this country it is quite obvious that, in the future, smelting capacity will move offshore. It will move to Indonesia, to India and to China, and it will inflict enormous damage on our national income and on employment prospects, particularly in areas outside the metropolitan parts of Australia: the Latrobe Valley area, the Hunter Valley, the Bowen Basin and other parts of Australia that so proudly produce our valuable cheap energy.
This bill is something I am glad to hear that both sides of the parliament are going to support. It is good to see the Commonwealth withdrawing from an activity that can be better done by a state government. Most of all, I urge members to pay more attention to some of the science surrounding the issue of carbon dioxide emissions, atmospheric changes and so forth, and to take a little more objective view of the debate than otherwise you might if you listened only to those who propose that we sign up to Kyoto and do nothing else.

Mr HOLLIS (Throsby) (10.51 a.m.)—I am pleased to make a short contribution to this important debate on the Coal Industry Repeal Bill 2000, as it deals with changes to the administration of the coal industry within New South Wales. It is always interesting to listen to the honourable member for Wentworth, and it was quite interesting to follow him today because the Wentworth family made their fortunes from coal. Indeed, in my area the main street through Port Kembla is called Wentworth Street, not that any Wentworths ever lived there. The mines that the early Wentworths owned and operated were very different to the mines of today, but the progress and work conditions in the mining industry were not easily won. There has been a long history of struggle; indeed, within the industry, it is still a struggle.

As others have said, the purpose of this bill is to dissolve the Joint Coal Board under the Coal Industry Act 1946 and transfer all the assets and liabilities to New South Wales. This follows a longstanding Commonwealth government policy to place the New South Wales coal industry on an equal footing with other coal producing states that each adequately service their coal industry without this level of Commonwealth oversight or involvement. There are still a few minor issues to be sorted out between the New South Wales government and the federal government, and indeed within the unions, but I am confident that the issues will be adequately sorted out. As I understand it, this legislation has to be jointly proclaimed within New South Wales and the Commonwealth. It is quite interesting that, usually when an instrumentality or a body is transferred from the Commonwealth to the state, this comes at a cost, but there is no cost involved in this transfer.

Madam Deputy Speaker Gash, as you would appreciate, coming from the south coast of New South Wales, the coal industry has gone through dramatic changes, especially in relation to underground pits in recent years. Too much coal has been sterilised, especially in the Illawarra, and I believe in years to come Australia will pay a price for this. The coal industry work force has dramatically changed. When I was first elected in 1983, something like 5,000 employees worked in the pits in the southern coalfields. This figure has now been reduced to about 1,000.

I strongly support what the opposition spokesperson said about mine safety. Everyone appreciates that safety in mines is a vital issue; it is one of the key issues facing the coal industry. The Australian Coal Industry Council conducted a survey that found that underground coalminers in Australia have a one in 28 chance of dying over a working life of 40 years. We are very familiar with the tragedies in the pits in the Illawarra. Only two weeks ago, I attended the annual commemorative service at the Bulli miners cottage commemorating that dreadful disaster in 1887 when there was an explosion in the Bulli pit which left 81 people dead. The impact on that small community at that time was quite devastating. That tragedy is commemorated each year, and the names of those who have died in the pits in the following years are added to the honour roll. This year, another name of a miner who lost his life in the southern fields last December was added. Members would be very familiar with the Appin disaster which occurred a few years ago. So always within the southern area, we are very conscious of mine safety and we are conscious of the cost of these accidents not only because of the loss of human life but because of the impact they have on the community.

There is a need for a rapid and substantial improvement in mine safety performance, particularly as it relates to the elimination of fatalities and serious injuries. The key to reaching these goals is the attitude of all employers, management and staff involved in the mining in-
dustry. All employers and employees must adopt an attitude of zero tolerance for fatalities and injuries. To achieve this attitudinal change, the boards and management of all mining companies must show absolute commitment to safe practices. There is a need for the government to keep working with the coal industry and the unions to develop a national approach to implementing world’s best practice in mine safety.

One pleasing and little noted aspect of this legislation is that the rescue stations will come under the control of the Joint Coal Board. The work of the mine rescue stations is vital, but funding for their important work has always been difficult to come by in the past and it has always come on a very ad hoc basis, sometimes through levies and other funds. But now, adopting a secure funding situation will ensure that their work continues, it will give added confidence to the work force and it will enable increased training in rescue techniques to be carried out.

One issue relating to the industry that concerns me is that BHP and coalminers in the Illawarra and parts of Queensland have been involved in very protracted negotiations over pay and conditions for 12 months. There have been numerous stoppages and industrial disputes during this time as miners have tried to get a fairer deal in pay while maintaining their conditions. Miners have been involved in ensuring the productive capacity of mines in Australia. They have restructured their workplaces. I have seen the decline in the work force, but I have also seen the restructure in those workplaces. They are efficient and productive workers. Surely miners deserve some of the recognition for their involvement in ensuring the survival of coal production in Australia. They are not asking for a certificate to hang on the wall; they just want fair wages and conditions. Coal prices have been up in recent years, and the workers deserve a cut of this. As I have pleaded time and time again, BHP should negotiate with the miners and the CFMEU in good faith and resolve the pay dispute.

The demand for coal has grown by over one million tonnes over the past two decades. Australia is the world’s largest exporter of black coal, a position it has held since 1984. Australian coal is exported to more than 30 countries around the world. Although many people are not as vocal on the issue of a national coal authority today as they have been in the past, I am still committed to this concept. I raised it in my first speech in this parliament, and throughout the time I have been in the parliament I have constantly argued in favour of it, not only with the current government but with governments on my own side of politics. It always seems to me that shadow ministers for resources are very enthusiastic about a national coal authority until they become ministers with responsibility for resources; then the industry bureaucrats get at them.

We have had national authorities for wool, wheat and beef, but somehow, when we are dealing with this commodity which is vital for Australia, they say, ‘No, we can’t have it there; free market forces must reign supreme.’ Over the years I have watched the producers, one after the other, being called in from their hotel rooms to the boardrooms in Tokyo. One after another, they are played off, one against the other. The first one caves in, then there is a mad scramble for market share. It usually involves a cave-in on a declining price, so in order to keep that up, there is a mad scramble for market share. I think there should be a national coal authority. I have always believed that. Coal is so vital to the economy of Australia that you cannot leave the negotiations to the producers, who will always cave in. There must be a national approach.

I support this legislation and commend it to the Main Committee. I know that there are still a few issues to be resolved between the New South Wales government, the federal government and other people who are involved, but I am sure these issues will be speedily resolved. As I said, I commend the legislation to the Main Committee and to the House.
Mr ZAHRA (McMillan) (11.02 a.m.)—A lot of history is contained in the Coal Industry Repeal Bill 2000, and there is a lot of history in our nation’s coal industry. I welcome the opportunity to make a contribution to this debate. The history contained in this bill is characterised by cooperation—cooperation between state governments and federal governments and between employers and employees. I think we can draw on that history all the way back to 1946, when the Joint Coal Board was first established. Today, in the year 2001, we should think about the lessons that can be learned from that history and from those people’s experiences.

The Joint Coal Board did a lot of good things. It put occupational health and safety for coal workers at the very front of the debate on the coal industry. It played a major role in things like mechanisation in the coal industry, and it also provided important support for coalmining communities in terms of providing recreation, sporting, community and cultural facilities. So it played an empowering role; it played a developing role for coal workers, for their communities and for the industry more generally. I think that sort of cooperation, that sort of coming together, so that people understood they had more in common than in disagreement, is the sort of history from which we should try to learn today, some 55 years after the Joint Coal Board was first established.

In my electorate, there are vast brown coal reserves. In fact, the Latrobe Valley has the largest brown coal reserves in the world. We use that brown coal to create the electricity which is used to power the state of Victoria. Increasingly, we supply to other states as well through the interconnects. There is a proposal to develop a link between Tasmania and Victoria, which would enable us to provide electricity to the state of Tasmania as well. So the role which the Latrobe Valley has played over 50 years has been to power Victoria and, increasingly over the last few years, we have also been making a contribution to providing electricity to New South Wales, and perhaps in the future to Tasmania.

We have done this by dint of the hard work and application of the people of the Latrobe Valley. There have been great sacrifices made by many families. In fact, the Latrobe Valley is one of the great Australian stories in terms of bringing migrants into our nation to do work on important national infrastructure projects. People talk a lot about the Snowy. The building of the Snowy Hydro Scheme is a great national achievement. On the same scale is the building of the power stations in the Latrobe Valley. It is appropriate that we recognise the contribution of those workers and their families to building those assets, which are so important to Victoria and increasingly to other states in the Commonwealth.

It did not come easy to those people who were working on those power station projects. Whilst we have heard that the Joint Coal Board did a lot to move occupational health and safety forward in the coal industry in New South Wales, unfortunately the monsters who used to run the SEC in Victoria were not so concerned with the occupational health and safety of their work force. They allowed the widespread use of asbestos in construction for many decades. This has led to a serious problem that we now confront in the Latrobe Valley. Sadly, the Latrobe Valley has one of the highest incidences of asbestos exposure of any region in the industrialised world. This is as a direct result of the uncaring attitude taken by SEC management in the Latrobe Valley for many years.

It is a shame that we did not see the improvement in the Latrobe Valley that the coalminers and their families saw in New South Wales as a result of the Joint Coal Board. In New South Wales they saw substantial steps forward taken because of this coming together of workers, employers and the state and federal governments. Real improvement was made to their circumstances and to the occupational health and safety of their industry as a result of the Joint Coal Board. Sadly, in Victoria, we did not see anywhere near enough progress made in terms of occupational health and safety for the work force of the Latrobe Valley. We are suffering
now as a result of that. The high incidence of asbestos exposure in the Latrobe Valley is proof of that neglect by SEC management over many decades.

Such cooperation which led to the forming of the Joint Coal Board can only happen where there is goodwill between employers and employees and a will on behalf of government to create an environment in which this cooperation can take place and can be encouraged. Sadly, of late in the power industry in the Latrobe Valley, industrial relations have been characterised by barbarism rather than by any cooperation. The worst example of this is the prolonged industrial dispute that is taking place right now at Yallourn Energy, the old Yallourn power station, and has been dragging on for more than 18 months. It demonstrates what happens when you get a company which is prepared to use all of the monstrous provisions of the industrial relations legislation put in place by this government to try and get rid of all the hard-won conditions and entitlements of its work force.

This company wants people who work at Yallourn Energy reduced to casual employees on limited wages and at the beck and call of the company. That is not our way in the Latrobe Valley. We have a long and proud tradition of cooperation and working together with employees and employers to come up with positive solutions to any of the industrial situations that we face. During a period of profound change in the Latrobe Valley, over eight or nine years we moved from having about 12,000 people to having 2,500 people directly employed in the power industry. We did that with almost no industrial disputation. Successful negotiations for EVAs have been achieved at Loy Yang Power, Energy Bricks Australia and Hazlewood Power, the other generators in the Latrobe Valley. It has only been the absolute determination on the part of Yallourn Energy to strip its work force of its hard-won conditions and entitlements that has led to this prolonged dispute.

I just make this point, Madam Deputy Speaker, before I quote from a number of documents. There have been many attempts to get Yallourn Energy and its owners, formerly Powegen International, now China Light and Power based in Hong Kong, to arrive at a position where they can resolve this dispute. There has been a lot of goodwill shown by its work force repeatedly. I know a lot of the employees who work at Yallourn Energy. I grew up with a lot of them; a lot of people worked there with my father for many years. They are ordinary working people from the Latrobe Valley. They coach our football teams; they send their kids to our local schools. A lot of these guys’ wives teach in our local schools. They run small businesses. These are just ordinary people. This is not a group of employees which enjoys any special benefits or any special entitlements above those which are enjoyed by most Australian workers.

Yet the company has seen fit to try and demonise its work force as it has put in place a barbaric industrial relations strategy aimed at doing whatever it takes to take away these workers’ job security. Job security is important in the Latrobe Valley and particularly important in Moe and in Morwell where most of Yallourn Energy’s employees come from. We have an unemployment rate of about 15 per cent or 16 per cent in both of those towns.

You can understand that, having gone from such a large number of workers to such a small number over that decade, people are obviously very keen to hang on to their jobs. This is especially so in light of the difficulty that people would have in getting jobs elsewhere in the district if they were to lose their jobs as a result of Yallourn Energy management getting up its agenda of stripping the work force of their job security. I am offering that just as some background for the chamber before making some remarks about the way that Yallourn Energy has conducted itself.

I wrote to Yallourn Energy in relation to this dispute. In fact, I wrote to China Light and Power, the new owners of the Yallourn power station and offered to use whatever good offices I had at my disposal to try to help the dispute. I know a lot of the people involved and I know
a lot of the people who are on the CFMEU sub-branch at Yallourn. I have got a good relationship with the state government, with the national office of the CFMEU and with the state office of the CFMEU. I said in my letter that I had spoken to these people and that I would be prepared to intervene to help find a negotiated settlement. I thought it was a reasonably generous offer on my part.

I sent the letter dated 14 February 2001 to China Light and Power. I was very disappointed, however, in the response which I got back from the group managing director, Mr Andrew Brandler, in relation to this matter. He says in his letter to me:

The CLP group has made a significant investment in the Latrobe Valley. Further, the CLP Group prides itself in its track record of being a responsible corporate citizen.

I seek leave to table both letters.

Leave granted.

Mr ZAHRA—Thank you. It seems amazing to me that he would make this comment about how CLP seeks to be a responsible corporate citizen, given the way that Yallourn Energy management have conducted themselves in relation to this dispute. I have here a company document from Yallourn Energy which sets out their approach in relation to industrial relations generally and the Yallourn Energy dispute more specifically. They create a number of scenarios as they work through what to do if the Australian Industrial Relations Commission comes up with a number of different possible decisions.

What do they say? If the bargaining period is terminated, the strategy is:

Progress to arbitration as quickly as possible. Do not negotiate during the conciliation process.

That defies the whole idea of it, doesn’t it? As you go down you find they have got points 1 to 8 in relation to what they would do if the bargaining period were terminated by the Australian Industrial Relations Commission. No. 5 under the heading ‘Bargaining Period Terminated’ includes civil proceedings against employees and keeping writs up their sleeve until the appropriate opportunity presents itself to lodge them. The final point under that heading is to use the public interest card, using a positive outcome to Yallourn Energy’s advantage and trying to talk that up as something which would be good for our community.

As another option, they talk about what they would do if the bargaining period were suspended. In relation to what the company position should be, they say:

Do not negotiate during the conciliation process. Lewin—

they mean Commissioner Lewin—

has assumed that both the AIRC and himself can resolve all the issues through private conference. Maintain the line that arbitration is the only way forward. Use 170MH application as a driver towards arbitration.

Very cheekily, in my view, No. 4 in their strategy for what to do if the bargaining period is suspended is to argue:

“Conciliation has not worked in the past why should it work now”

How can it work when you have a company, or the management of a company, which is deliberately undermining the efforts made in good faith by Commissioner Lewin of the Australian Industrial Relations Commission to bring the parties together to get some conciliation and a negotiated settlement? It is set out here in black and white. What this company is doing is making a mockery of the good offices of the Australian Industrial Relations Commission to try and resolve this dispute. What cheek, to have in here a specific argument saying, ‘Look, conciliation has not worked. Therefore, we should go to arbitration,’ whilst their strategy earlier on is to not be involved in conciliation. It really is outrageous that they could be involved in these activities.
Perhaps most serious of all the options is what they propose to do if the bargaining period remains in place—if that is the decision of the Australian Industrial Relations Commission. They say the company position is:

Take all possible actions to force a resolution of the EB process. Abandon “high morale ground”. Adopt a “feral” / more ruthless approach. Target both the union and Yallourn Energy’s employees.

This is a company document. This is what they propose to do. This is how they propose to treat the people of the state of Victoria, the people of the Latrobe Valley and their own workforce. Point 1 under the heading ‘Bargaining Period Remains In Place’ is:

Lodge an appeal within 24 hours.

- do not negotiate during the appeal process

So, whilst we all want to see cooperation, agreement and a negotiated settlement, they are about getting 100 per cent of their agenda up and are not interested in negotiating in good faith with their work force. Point No. 2 is to lodge a 170MH application ‘immediately on the handing down of the Lewin decision’ and not to wait for the appeal. This goes on. Again there are eight points under this heading, including taking civil proceedings against their employees. Point 6 is to lock out their employees for a minimum of six months, and point 7 is to increase pressure on government through summer blackouts, no further investment in Yallourn Energy and the fact that their employees will be locked out for six months.

It really is a disgraceful document. And it really is disgraceful that a company should be involved in these types of deliberations which are made very calculatedly in company boardrooms to try to undermine the Australian Industrial Relations Commission and, eventually, to strip decent, hardworking people of their hard-won rights and conditions. It really is appalling that a company is involved in plotting in this way to undermine the electricity supply in the state of Victoria and to undermine workers in the Latrobe Valley.

I made a very genuine effort to try to intervene in this dispute, and I was very disappointed that the parent company, CLP, did not see fit to respond positively to the invitation that I extended to them to try to find a resolution to this long-running industrial dispute. It seems to me to be a great shame that we have a company which owns a very large asset in the Latrobe Valley but which is doing nothing to improve the lot of the Latrobe Valley or to improve the industrial relations reputation of our district. We have a very good record when it comes to industrial relations in our district, and we are proud of that record. We see a lot of steps forward taken on the industrial relations front by the other power generators; namely, Loy Yang Power, Hazelwood, Energy Brix and others. However, it is all for nothing when you have a prolonged industrial dispute, which is what we have at Yallourn Energy, which gets the headlines in the Melbourne and national newspapers. They talk about the industrial relations climate in the Latrobe Valley which was entirely created by plotting and scheming by CLP and its local management at Yallourn Energy.

I again appeal to Mike Smith, the CEO of Yallourn Energy, to take a step back from his hardline approach to industrial relations, to recognise that more can be achieved by cooperation and by working together, and to take a step away from the hardline industrial tactics which he has employed and which thus far have got him nowhere. (Time expired)

Ms HOARE (Charlton) (11.22 a.m.)—It is pertinent to point out at the beginning of my contribution the number and types of speakers who have contributed to the debate on the Coal Industry Repeal Bill 2000. We have just heard a valuable contribution from the member for McMillan, outlining the dispute that is going on in relation to power generation in his electorate in his home state of Victoria. I congratulate him on standing up for the workers in his electorate. Before the member for McMillan, we heard the member for Throsby talk about the coalmining industry and its long history in his electorate.
I represent coalminers and have underground coalmines in my electorate of Charlton in the west Lake Macquarie area. At last count, we had about nine underground coalmines in my electorate. It is interesting to note that the only speaker from the government side, the member for Wentworth, stood up and said, ‘I don’t have any coalmines in my electorate.’ It is telling that the coalmining areas throughout New South Wales, Queensland and Victoria are represented by Labor members of parliament, because the coalmining industry and the workers in that industry know that Labor will continue to support that industry and the workers in that industry.

The Coal Industry Repeal Bill 2000 was first introduced into the House of Representatives on 28 June last year. I understand that since that time a fair bit of negotiation and discussion has been going on among the Commonwealth, the state government, the mine owners, the Minerals Council and the CFMEU, which represents the workers in the coal industry. The purpose of the bill is to repeal the Coal Industry Act 1946 and to provide for the dissolution of the Joint Coal Board as constituted under the Coal Industry Act 1946 and the New South Wales Coal Industry Act 1946.

I would like to talk a bit about the history of the Joint Coal Board. We have heard a lot about the history of coalmining in our country and the contribution that that industry has made to the development of this country. I would like to speak about the history of the Joint Coal Board as, at the end of this debate, the Commonwealth will abrogate its responsibility to the coalmining industry in New South Wales.

In 1997, the Joint Coal Board celebrated its 50th anniversary and it posted a brief history of its operation on its web site. I thank them for that and I will draw on some of that material in this discussion. The Joint Coal Board was first established after a royal commission into the coal industry conducted by Mr Justice Davidson. In 1930, the commission reported to the New South Wales Legislative Assembly on the outcomes of that review. At that time, the commission made the initial recommendations that a board such as the original Joint Coal Board be established. They describe in great detail what the proposed board’s powers and functions should be.

In fact, 30 recommendations came out of that royal commission, the majority of which can be summarised. Seven of them related to industrial relations and employment in the industry; five related to coal prices; four related to general powers of committees, et cetera; three related to welfare; another three related to coal production, utilisation and transport; three related to coal leases; two related to mine closures; two related to the internal workings of the proposed board; and one related to statistics. At that time in 1930, there was no mention of workers compensation and little mention of occupational health. The statistics that were recommended to be gathered related to production and profit, but not to accidents. The first report of the Joint Coal Board in 1948 noted that, in 1946, the Commonwealth government and the New South Wales state government mutually agreed that:

... it would be unwise to allow the coal industry in New South Wales to revert to a situation of unfettered private enterprise.

This was wartime legislation and the governments in those days realised that to unleash this industry into the capitalist marketplace run by the owners of the coal would not be a very wise thing to do.

In 1946, the bulk of Australian coal was produced by New South Wales. It was essential to electricity, gas production, rail transport, steel production and other industries such as cement manufacture, and for ships’ bunkers. At the time, the production capacity of the New South Wales industry was inadequate in relation to Australia’s total coal demand and that had serious implications for postwar redevelopment. Urgent action had been required to increase production, to improve efficiency, to upgrade mine and community facilities—which were spo-
ken about earlier—and to provide better health and workers compensation services. The Joint Coal Board then became a coal proprietor because nobody else was able to invest the substantial capital required to develop new mines. Particularly in the 1950s, we are talking about the development of open-cut mines and using new technology to develop those mines. At this time, the Joint Coal Board expedited the mechanisation of the industry.

When the board first began operations, the general standard of pit amenities throughout the industry was poor. Only three mines had bath and change houses of a satisfactory standard, while more than half the mines did not have a satisfactory supply of drinking water at the surface. The board acted to improve these amenities to the extent of issuing formal directions to some mine owners. The board also provided funds to local government authorities to improve facilities such as water and sewerage schemes, recreational facilities, libraries, parks and gardens.

We are talking about whole communities here: the communities relied on the mines for the work in the region; and then, in turn, the Joint Coal Board developed those communities to ensure that the families of the coalminers had facilities that were as good a standard as that found in capital cities. The actions of the board since its inception in upgrading pit amenities and funding the community amenities help explain the strong support for the board’s role by the miners and their unions in these local communities.

The Joint Coal Board around this time started to get into more of the compensation and medical services areas of the coalmining industry. At this stage, the high cost of dust claims had actually pushed the cost of workers compensation to the point where one South Coast mine was paying the equivalent of 40 per cent of wage costs in insurance claims. The board saw this and proactively decided to establish its own scheme of workers compensation insurance, which enabled it then to be able to spread this cost throughout the industry.

After 1953, the board started to look for export opportunities for coal. It identified the Japanese market as a growth area. The 1960s and the 1970s were a period of virtually uninterrupted growth for the coal industry, particularly in exports to Japan. Increased demand was reflected in coal prices. The average free-on-board value per tonne of Australian coal exports at the time was $11.28 in 1972-73; by 1974-75 it was $22.10; and by 1981-82 it was $49.63. There was a massive surge in new investment in coalmines. Capital expenditure on New South Wales coalmines was $50 million in 1970-71; $198 million in 1979-80 and $822 million in 1981-82. Between June of 1976 and 1982, 19 new mines began production—13 underground, and six open cut in New South Wales. We are starting now to see mines close in some Hunter Valley areas.

In 1983 we saw a major downturn in the New South Wales coal industry. World oversupply worsened for both steaming and coking coal as new production came on stream. In New South Wales the industry collectively lost $400 million in the five years which ended in June 1988, and 15 mines were closed in the two years from 1986 to 1988. This downturn in the industry led to discussions about the future of the board and in 1984 a decision was made to restructure the board. In broad terms, the activities of the board have changed since its inception from comprehensive control of the industry, including itself producing coal, to a role of regulation and provision of specific services to the industry. It became primarily concerned with the occupational health and welfare of mine workers and continued to collect accident statistics and underwrite insurance. The brief history posted on the Joint Coal Board’s web site concludes:

With its proud history of achievements in health and welfare over the last fifty years, and with innovative and responsive management, the Board looks forward to its next fifty years of service to the New South Wales coal industry.
I think that was in 1997. I doubt very much that they anticipated that the Commonwealth would seek to withdraw its responsibility from the New South Wales coal industry. There has been a fair bit of discussion—and very important discussion—about the health and safety of mine workers. In my local area, which is covered by the Northern District Branch of the United Mineworkers Federation in the electorate of my colleague, the member for Hunter, is the Jim Comerford Memorial Wall. This memorial wall was unveiled in 1996 by the then Prime Minister, the Hon. Paul Keating. I would just like to read a bit of the memorial to let members of this place know graphically what the history of coalmining really means to some of our communities. It states:

This wall is a Memorial to all those who were killed in the NSW Northern District coalmines since mining commenced in 1801. While there are 1,532 names listed, it is not the full toll of all those who died as a result of being employed in the world’s most hazardous industry ... The records show that the youngest is 11 year old Robert Irving, a driver boy who was killed at the Co-operative colliery at Plattsburg on February 16, 1883, when he was ‘run over by loaded skips’.

My boy has just turned 11, and I could not begin to imagine him working in a coalmine. It goes on to state:

The oldest fatality on record is 73 year old Frederick Charles Roose, who was killed at the Waratah Colliery by a ‘fall of stone’.

The Northern District is the State’s biggest coal producing region its borders stretching from Grafton in the north to Sydney in the south ... and Gunnedah in the west. It is the birthplace of Australia’s coal industry.

The first seam was noticed in 1795 at Nobby’s Head near Newcastle. In 1801 Governor King dispatched a group of 16 convicts to mine coal there under military guard. They were soon recalled because of the difficulty in supplying this remote outpost ... There were among some 200 Irish convicts who had taken part in the Castle Hill rebellion, near Parramatta in Sydney. Their leaders were hanged and the 35 who were sent to become Australia’s first coal miners were among those who were considered the most dangerous to the colony.

Since that brutal historic beginning, the Australian coal industry has grown to become our nation’s single biggest source of export income. Our industry is also the world’s leading coal exporter. While we can all be proud of the prosperity of our coal industry, this Memorial Wall is a reminder of the price Australian coal mineworkers and their families have paid for it.

The United Mineworkers will continue to fight for improved safety standards and conditions for our members. We will continue to campaign for a better deal for our members and our communities. We will continue to pressure employers and Governments to ensure Australia receives a fair return for our coal in contract negotiations.

Our resolve to achieve these things is steeled in the value we place on coal. We can never forget that the real price of coal is the blood and bones of our members along with the heartache and pain inflicted on the thousands of families and friends of those who lost their lives in winning coal.

Black coal is Australia’s largest commodity export. It is worth more than $9 billion a year in exports, and the industry actually exports over 70 per cent of its production. We need to ensure our future coal production and we need to conserve its resources.

I have a few doubts about this bill and I will take a couple of moments to express them. The Commonwealth’s withdrawal at this stage is a fait accompli. I am not fully convinced that all of the necessary arrangements or all of the points of contention between the different participants in the industry have fully been ironed out. There is not a structure in place yet in New South Wales to be actually able to take over these functions of the Joint Coal Board, and I would encourage all of the participants to work quickly to put such a structure in place. The rush by the government to tidy up some of its so-called loose ends prior to the election that will be held at the end of this year is, in relation to this bill, a bit premature. However, at the end of this debate we are going to see, as I said, the Commonwealth abrogate all its responsibilities in relation to the New South Wales coal industry.
I am concerned: I have outlined the history of the Joint Coal Board and the importance of the Joint Coal Board in the development of the coal industry and particularly in relation to the health and safety of its workers. Early last year, when it was first mooted that the Commonwealth withdraw from the coal board, the chairman, Ian Farrar, was quoted in the Newcastle Herald, and the article is entitled ‘Uncertain future’—and at this stage I still believe that it does have an uncertain future. Mr Farrar said that the New South Wales government was yet to decide what it would do with the board, but that he was confident that it would remain in operation. He said:

We’ve had various discussions with employers, and while it might be their ideological preference that the board be abolished, they are realistic enough to know that it might not happen under the current State Government.

So I urge the state government to act quickly to establish a structure to take over the board’s responsibilities. The board has been self-funding for quite some years. As I said, it once held vast powers, including the control over the opening and shutting of coalmines; but these have been wound back and its main interests are now occupational health and safety, and mining statistics. In conclusion, I urge the state government to act quickly now and establish a structure. (Time expired)

Mr RIPOLL (Oxley) (11.42 a.m.)—May I say, it is always a pleasure to be speaking while the member for Greenway is the occupant of the chair. I am speaking today on the Coal Industry Repeal Bill 2000, which repeals the Commonwealth’s Coal Industry Act 1946. I want to raise a number of issues, particularly the importance of the coal industry to Australia and to our export markets. The coal industry, which is particularly important in Queensland also, actually represents export dollars of around $5.2 billion from Queensland and a bit over $3 billion from New South Wales, and a smaller figure from the other states. But it certainly represents about a massive $9 billion worth of export trade to this country. In fact, it is the largest export commodity that we have and therefore, in my mind, it would be one of the most important industries, if not the most important industry, in Australia.

There are many things said about coal and in relation to coal. It is one of these broad ranging debates which would lend itself to almost any topic, because coal is so important to employment and to exports, and it is so important in terms of all government policies. It is particularly important in terms of debates on the Kyoto Protocol, greenhouse gases and a whole range of environmental issues. It is also important in the debate about alternatives to coal—such things as solar power, wind power, tidal power, hydro-electricity and whatever other alternative sources of fuel or methods we have to actually produce electricity. So it is a great pleasure to be talking on this bill.

The bill will basically put the states on an equal footing to administer the coal industries with the Commonwealth government. The board was previously instrumental in doing a range of things, including introducing mechanisation of the Australian coal industry and eliminating pneumoconiosis, or black lung, from the New South Wales and Australian coal industry, throughout its industrial hygiene and occupational health services; and was also responsible for improving a great deal the pit amenities of workers throughout Australia. In particular, an area I want to focus on is actually a very important part, the improvement of the welfare of coalminers themselves.

Earlier on I mentioned just how much money this industry represents in terms of export dollars. I also want to touch briefly on the importance of jobs. The figures I have here are from June 1999. In Queensland alone we saw 12,600-odd persons being employed in the industry. It represents a huge part of our work force. Unfortunately for the coal industry, things have not been so rosy. The coal industry is facing a bleak future. There is a whole range of reasons for this. One key reason is obviously the low price of coal on international markets—and, of course, the falling prices generally—and the level of overproduction. There is cer-
tainly an excess of capacity in Australia, which does not make things easy. This issue is of particular importance. The government should take note of the academics who say that employees and productivity have been unfairly blamed for the industry’s apparent poor performance. It is not the workers themselves or the productivity levels which are to blame for the current state of the coal industry.

Dr Bradley Bowden and Dr Peter Waring commented about this at an international industrial relations conference in Newcastle. They said:

There are a number of other factors, such as technology, geology, techniques and expenditure ... Those who explain the industry’s declining performance purely in terms of labour productivity fail to understand the relationship between the market and industrial relations.

I say that because I want to draw the government’s attention to their continual attack on workers generally, particularly coal workers and the union that represents them. This is a reflection of the sad state of this government when there are so many other big issues. They try to blame the occurrence of one thing on something else. This is reflected much more widely in some of the things that are occurring at the moment.

I happened to come across an article in the Canberra Times last Saturday, which was entitled ‘So much time, so little success’. It goes on to highlight this bill and exactly what this government do. You can have a look at a range of issues but let us take one as an example—the moratorium on Internet gambling that this government have failed on. They have failed on this, like they have failed on so many other things, because they have failed to understand the principal issues at hand. They have put together this bill which will not prohibit access to international gaming sites on the Internet but will prohibit access only to Australian ones. They probably think that the Australian community is so ignorant that they would not be able to access the international Internet gaming sites if there were Australian sites. They are forgetting that the Internet itself is the World Wide Web. Australians, under the government’s policies and laws, will certainly have access to as much gaming and gambling on the Net as they want as long as it is not on Australian sites. It is okay to gamble on unregulated international sites, but it is not okay to gamble on Australian sites.

Mr Neville—Mr Deputy Speaker, I rise on a point of order. I am one who believes in free ranging debate but I do not know how we move from the coal industry to Internet gambling. I just do not quite see the connection.

Mr DEPUTY SPEAKER (Mr Mossfield)—Order! I was actually thinking along those lines myself. I would ask the member to speak about the bill before the Main Committee.

Mr RIPOLL—Mr Deputy Speaker, my remarks are perfectly relevant in terms of this government’s policy approach to the coal industry, the effect that the coal industry has on our export markets and on employment, and also the welfare of those people employed in the industry—and, in particular, their families. I want to touch on how this relates to the welfare of those coalmining families that are affected by this bill. I think that Internet gambling is one of those things, although I do understand that it strays a little from the bill at hand. But this only goes some way towards demonstrating exactly where we are at.

Government members might appreciate it a little more if I refer to the current state of our dollar, because this relates directly to where we are today in terms of coal. You would expect that a lowering Australian dollar would be a good thing for the Australian coal industry, but it certainly has not been because the coal industry is facing a very bleak future. I will look more closely at that, and at where we were in 1996, when the Australian dollar was at US74c. At that time, on 30 January, Peter Costello, the current Treasurer, said:

A falling Australian dollar reduces living standards ... With each fall of the Australian dollar, Australians have to work longer and harder to acquire any given amount of imports.
That was when the dollar was at US74c. I know that the Treasurer has certainly changed his
tune now that we are facing a bleak outlook, just as the coal industry is, where the dollar is
now at US47c. No-one really knows where this will stop. He went on to say, when the dollar
was at US71c, on 30 June 1995:

To the extent that this Government drives down the Australian currency, it impoverishes every Austra-
lian.

I think this has a direct bearing on coal because coal is so important in terms of Australian
exports and Australian industry. The flow-on effects really have to be addressed, having re-
gard to where the Australian dollar is at. If it is going to impoverish Australians at US71c,
what is it going to do at US47c? That is where we are today—at US47c. It is a real tragedy
that this government refuses to accept responsibility for what it has done to the economy.

I noticed yesterday in question time that there was this new rhetoric, the double-speak of
government—a government that says black is white, that white is black, that says if you re-
peat a lie often enough, someone will believe it. They keep saying in this place that, some-
how, the woes of the economy—and I am assuming that, in the economy, they are referring to
the bleak future of the coal industry as well—are all related to the opposition talking the
economy down. We are talking it down; therefore, the economy is heading downwards. What
a load of rot!

Could any self-respecting person come up with this theory that, somehow, because the op-
position has stated the facts about what is actually occurring and has held the government to
account on the state of the economy, we are responsible for it? Let me tell you, Mr Deputy
Speaker, and all the government members who are listening, that, firstly, we did not do this;
the government did this. They did this through their mean, unfair, inequitable GST program—
their ideologically driven GST program, which has had such a huge impact on Australia that it
has not only devastated many industries but has had a flow-on effect that at this stage has not
been fully accounted for. We would have trouble, as the government does, accounting for
where it is at in terms of the damage they have done to Australian exports, Australian jobs and
a whole range of areas.

The government talks tough in terms of coal and where it stands on Australian industry. It
talks tough on Kyoto, on greenhouse and on a whole range of areas. But when it comes to the
welfare of families in those industries, it just does not talk tough anymore. It falls very short.
If we look at one of the government’s self-proclaimed claims to fame, as it were, this govern-
ment says it stands for fiscal responsibility. This is a government that says it governs for all
and that it governs in a fiscally responsible manner. Where is that fiscal responsibility today?
The government is now falling over itself, bumbling and tripping over itself, in backflips and
rollback, to try to appease the community that it has so much offended and hurt. We have
seen rollbacks every day. We have seen rollbacks on beer. And why has there been a rollback
on the excise on beer? Because the government misled the Australian people.

At the time of the election, the Prime Minister, Mr Howard, promised that the ordinary beer
price would not go up by more than 1.9 per cent. Of course, that was not true. It is as simple
as that. It went up by much, much more. Now, because the lobbyists and the beer companies
have been successful in redressing that issue, the Prime Minister says that this is somehow
unfair.

When you make a promise, somewhere along the line you either keep it or you do not keep
it; but either way you will be held to account. That is what is happening now. All the pain that
government members are experiencing is pain that they have created, and it is pain that they
will feel quite directly not too long in the future.

I want to talk briefly about coal as a product and what people think about when they switch
on a light. When they turn on a light or switch on their computers, very few people, in the
back of their minds, think, ‘This is a coal driven light,’ or ‘This is a coal driven computer.’ Right now, I am able to speak through this microphone because it is driven by coal. People might think there is a magical formula that somehow makes this happen. Let me make it clear that coal drives this. As I said earlier, it is such an important part of Australia in so many different ways.

To that end, we must be very careful about how we protect the Australian coal industry and how we treat the Australian coal industry. The Australian coal industry has gone a long way in the last 12 months to address some of its PR problems and some of the attitudes that people have towards coal. It is seen as a dirty, old fuel. I would say that that is not the case; it is not a dirty, old fuel. It is actually a very modern fuel that can be used in a very modern way. I know the Australian coal industry is working very hard in this regard. I meet with them regularly, through a subcommittee of the Australian Labor Party caucus on coal issues. I am very interested to see what sort of alternatives the coal industry is working on and what sort of alternatives are out there. Things like solar power, as I mentioned earlier, still have a long way to go before they become a viable and real option to replace coal.

It is a long way down the track to the time when we will be discussing these matters in real terms—the delivery of what we all expect as normal, everyday services, such as providing energy to drive the fridge, the telly, radios and the lights in our homes. To some extent, this is at the heart of the problem of what we do about greenhouse gases, Kyoto and so many other things. Until we can either find a replacement or people in the Western industrialised world decide that they will not switch on the lights, that they will not run the computers, that they will look at other options, it will be a long time before coal is threatened as a major source of fuel.

I turn to another issue that relates directly to coal—that is, the exchange rate, and the value of the Australian dollar. Much has been said about the Australian dollar. It must be getting very hard for the Treasurer and the Prime Minister to defend where the dollar is at and say, ‘It’s okay.’ Only last week, the Prime Minister was talking to a number of pensioners. He was saying, ‘Don’t worry about the Australian dollar.’ It is a bit like what a previous Prime Minister in the UK said during the seventies when the sterling fell through the floor, and the damage that that did to ordinary people. That is what it relates to: the damage that it does to ordinary people.

I think the approach taken by this government has been very irresponsible. What really angers people out there, and what angers me, is not so much the GST; it is not so much where the dollar is; it is not so much all of the money that has been ripped out of health, education and all the nasty things that are going on; it is this constant Orwellian approach to making excuses about where we are at. Somehow, it is all the Labor Party’s fault. Everything is the Labor Party’s fault. We have endured this government for five years. We have long suffered this bumbling government which trips over itself, to the point now where it is a government that will do anything, at any cost, to win re-election. It has hit the panic button. The big, red button in John Howard’s office is about three-feet wide. He has tripped over his chair and he has hit the button, and the government is in panic mode. And they are in panic mode because they no longer know what they are doing. They no longer have leadership; they no longer actually know what they are about.

A good example of this is something that happened last week, when the government pulled a bill. Surprisingly enough, it was the postal bill. Why would they do that all of a sudden? It is something that has been on the Notice Paper and it is something on which the government has stood firm—the deregulation of the postal industry and the privatisation of Telstra. And all of a sudden they—
Mr DEPUTY SPEAKER—Order! I ask the member to come back to the issue that is before the chair—the Coal Industry Repeal Bill 2000 and related matters.

Mr RIPOLL—Thank you, Mr Deputy Speaker. I will relate my comments to coal and the coal industry, and in particular to those families who are affected by the coal industry. I pointed this out earlier because I wanted to make clear the number of families affected. And it is the policies of this government that affect those families. They are the ones who suffer. They suffer under this legislation; they suffer under all the policies of this government.

I know I am ranging rather wide in terms of the topic, Mr Deputy Speaker, but I think it is very important to understand where this bill originates in the mind of the government. As I was saying about what occurred last week, why would it possibly do this? What is the relationship here? It is a government that has suddenly realised that it is no longer popular. Suddenly, the bill it had on the table last week is bad for the community. That realisation has not come about because of good will in order to do the right thing for all Australians; it has come about purely because it wants to win a few cheap votes. It is as simple as that.

We have seen rollback and rollover on so many things that I could not possibly list them in the 20 minutes that have been allocated to me. The privatisation of Telstra, by way of example, certainly will not happen while we still have a voice in this place, and certainly while the National Party are still suffering so much in the bush. I am sure they had some hand in the reason why the postal bill was mysteriously pulled from the government’s vicious agenda against ordinary Australians.

Let me sum up by saying that, in supporting the bill that is before us, I think it will be positive for the Australian coal industry, but the government needs to work much harder to try to help the coal industry to modernise. It needs to look at policies and methods that will give advantage to coal. Certainly, it needs to look very closely at the Kyoto protocol and at what the United States of America is doing. It needs to take real action to make coal a viable fuel for the future—not an old technology, but a new technology. With respect to research and development dollars, which this government has so gladly ripped out of so many areas, they should be returned to that industry. (Time expired)

Mr HORNE (Paterson) (12.02 p.m.)—In this debate on the Coal Industry Repeal Bill 2000 I want to highlight a number of policies of this government which represent attacks on Australian workers and Australian industry. One of the great loves of the Howard-Costello government is to attack unions. They will not be happy until the last unionist in Australia is no longer there. If ever there was an industry that epitomises the value of the trade union movement, it is the coal industry. As a young fellow growing up in the western suburbs of Newcastle, I can well remember the miners coming home after shift, their crib tins on their hips, and coal dust all over them because there were no such things as ablution blocks. Those were the sorts of conditions in which men were asked to work.

I can well remember an old mate of my dad’s describing how you had to crawl in on your belly to drill into the coal by hand. You had to chip the coal out and drag it out behind you. I can remember him saying that, if you were a right-handed worker, you were always looking for a left-handed shoveller so that you could maximise your output; and how you never made an enemy of the tally clerk, because if you did not like the tally clerk or if you fancied the tally clerk’s daughter and he did not like you, he would downgrade the value of your coal and say that it was dirty coal, and you would have sent a skip of coal up for absolutely no return.

I can remember an uncle of mine dying at the age of 52 with dusted lungs, lying in his bed coughing up blood, in enormous pain. The only thing that saved these people and got the coal industry to where it is today is the trade union movement. That is the movement on which this government has waged a relentless attack in the last five years. That is why this government will be marked down by all those people who remember those things, as I do.
The trade union movement has a proud place in the coal industry. I invite anyone in the government to visit Cessnock and have a look at the Wall of Remembrance for coalminers. You will find boys from the age of 12 and 13 who lost their lives in coalmine accidents. What happened? The mine stopped work for a day; the miner’s family got another week’s pay; the fellows had a few beers and went back to work; and the coal barons survived. I cannot understand why this government is so hell-bent on destroying unions. Unions in towns in the Hunter Valley have been very responsible indeed. They have helped create towns like Kurri Kurri, Cessnock, Singleton and Muswellbrook. They guaranteed that the quality of life improved and those towns became very viable and vibrant communities. I am proud to say I am a member of a union. I am proud to say that the history of unions in Australia is a very honourable one. This government should be ashamed of its continued pursuit to destroy unions.

I would like to make another point about this government’s policies. Joint Coal Board statistics for coal production in New South Wales show that from 1998 to 1999 there was an increase in production from 132 million tonnes to 134 million tonnes. However, the level of employment in coalmines dropped from 10,898 to 9,748. At the same time that there was an increase in production of over two million tonnes there was a loss in employment of 1,100 workers. Again we hear this government attack the productivity of workers. That sounds like a pretty fair productivity return in 12 months—an extra two million tonnes with 1,100 fewer workers. What has the government got to complain about?

The other thing I point out is the increasing foreign ownership of Australian coal. A natural and national resource that belongs to all Australians is being sold off. Over the past decade particularly we have seen increased foreign involvement. BHP wanted to get out of coalmines. Who bought them? Mainly Rio Tinto. But I also notice that, through Tony Haraldson, there has been increased South African ownership of our coalmines. I would have thought that Australia was economically way ahead of South Africa. I would have thought that in comparison their economy is considerably smaller, yet they own many millions of dollars worth of coalmines in Australia.

It was interesting to note that, about three or four weeks ago when there was a jump in the price of coal of about $26 a tonne that was negotiated by the Australian industry with the steel mills and electricity generators of Japan, every one of those South African coalmines went on the market the day after. The government’s short-sightedness allowed this to happen. People are playing monopoly with our national natural assets. That is the sort of thing people in this country are objecting to and asking to stop. At the same time as this government is hell-bent on reducing the work force and taking away the rights of Australians to an honest and decent job, this government is allowing foreign investors to reap the benefit of the increased value of Australian assets.

These are some of the tragedies that I see in coalmining towns. I think in the last five years you would find that in the Hunter Valley there has been a loss of about 2,500 coal mining jobs. In towns where it was traditional for young boys to follow their dad into the mine, they cannot look forward to that any more. It does not happen. I suppose we will hear government members say, ‘Yeah, but what about the tremendous wages they get? What about the bonuses they get?’ Have a look at the accident rate of coalminers, have a look at the time lost through accidents, and you will soon realise that it is one of those jobs where your life is continually on the line. It is one of those jobs that has a very high record of injury.

I do not intend to speak much longer. All I ask is that this government accepts the coal industry for what it is and for what it has given to Australia and recognises that in legislation. I ask the government to recognise the fact that unions in the coal industry, probably above all, have delivered a sense of decency and a quality of life to people and have given their lives—either directly through mining accidents or indirectly through disease and silicosis that has been associated with their industry—and that it cease this ridiculous attack on unionism. Un-
ions are responsible organisations. Unions do promote responsible, positive discussion between employer and employee and unions most definitely have a place in our industrial world. The bigoted blindness of this government, and in particular the current minister, is doing nothing but create an enormous chasm between workers and employers. I look forward to the day when the current minister might stand up and say, ‘Yes, I agree that unions have a place,’ but unfortunately at the rate he is going I do not expect it will be soon.

Mr NEVILLE (Hinkler) (12.13 p.m.)—I did not intend to speak in this debate today on the Coal Industry Repeal Bill 2000 but, as there are no more coalition speakers, I would like to take a few minutes to refute a few accusations that have been made. I compliment the member for Charlton, Mrs Hoare, on her address. I think it came from the heart, and her speech was one with a lot of very good research—stuff that I did not know. I did not agree with all the content but I did agree with her general thrust.

Nevertheless, the next two speakers, the members for Oxley and Hunter, really surprised me in the line they took. The member for Oxley represents all those coalmines around Ipswich. Quite frankly, if I had been a constituent I would have been quite insulted by his presentation, because he did not come to the core of any of the problems. All he did was talk about beer prices. He played the populism card. As I remember, with regard to the withdrawal of the postal bill, the coalition decided to pull that before Christmas. This was just the technicality of removing it from the paper but that was turned into a major drama. Then we had a dissertation that electricity would still be around and therefore we would need coal. I do not think any of us dispute that. We would like to see a vibrant Australian coal industry. I had a lot of coalmines in my old electorate of Hinkler in the area around Biloela and Moura. I had some very interesting times with the coal industry there. A very efficient coal industry it was too and, as I remember, it had very good relations with its employees.

This idea that the coalition wants to downgrade the unionist or the worker is absolute nonsense. I am very much pro unionism. I think people should be able to be members of unions, but it should not be compulsory.

Mr Lloyd—I was a member of the firemen and deckhands union.

Mr NEVILLE—I have been a member of a union or a semi-professional association, and I was proud to be a member of that and to participate in it. But I think it is important to note that compulsory unionism has been used as a tool to control unionists. I saw this start to die in the resource area that we are talking about, in Gladstone, at about the time that I became the federal member for that area. Some unions would not come up to scratch with respect to new ideas. I have seen unions doing marvellous things, whether it is in the coal industry or the resource industry generally, to enhance benefits for their workers. For example, there are some very progressive ones around Gladstone in my electorate in which the employees have subsidised medical benefit schemes and the like. That is very good for them. It gives them a choice when they want to go to hospital and it relieves the strain on the public hospital system. On top of that, it provides them with a better standard of health care. I think those things are marvellous. Unions should be enhancing benefits for their members. They should not just stand there all the time as the playthings of the union bosses.

With respect to the presentation by the member for Hunter, it was all about the loss of power by some unions. A lot of unions are very focused on looking after their members; others just see unionists as a plaything. Let me return to coal and resources in general. In my electorate there was a resource based industry whose employees were offered a workplace agreement as opposed to staying under the award. There was quite a spirited debate in the community, particularly by the workers in that particular plant. The union picketed the gates to intimidate the guys going to work. When the vote was taken, about 83 per cent were in favour of the workplace agreement.
That says two things to me. It says to me that, firstly, these people have the dignity to understand what they consider to be best for themselves; and, secondly, the union was out of touch with its own members, when it could only represent 17 per cent of the people who were working there. It was not a plant in which the guys were ground into the dust; it was a very well-paid plant. I would have thought that coalminers and people in the resource industry have done very well out of this government, because they generally earn well above award wages. It is not uncommon for them to be in the $60,000, $70,000 or $80,000 brackets. In fact, in Central Queensland coalmines, the wages are much higher.

Under this government, they have got low interest rates. They are paying $3,000 a year less for their home loans than they were under the Keating government. In addition, most of them in that wage bracket are paying $63 a week less income tax. They are paying very little for their medical benefits, especially in the plant I just talked about, because they would be getting the 30 per cent rebate as well, on top of the subsidy they are getting from the employer. So they would be paying a minimal amount, by Australian standards, for health insurance. They have got low home loan interest rates and low inflation—all the factors that make for a much more vibrant economy for people in that wage bracket. I would be surprised if coalminers were particularly upset about the policies of this government.

The member for Hunter even spoke against his colleague the member for Charlton. I heard her say very clearly that she would not want her 11-year-old son to be working down a coalmine. I think that is a fair thing for her to say. As a mother, she wants the best for her son. Yet the member for Hunter tried to say that it was desirable for sons to follow their fathers into coalmines. I think it should be neither desirable nor undesirable, but an option that they can exercise. I felt that to some extent he spoke against his colleague.

This whole business of the debate on coal getting down to unionism diminishes the debate. On the Australian dollar, I do not know where the member for Oxley was coming from. I would have thought it was in the interests of the Australian coal industry, as of a lot of other export industries, for the Australian dollar at this time to be low. I read a very interesting article last week on the number of industries—wool, beef, sugar, a whole range of Australian primary and resource industries—that are now coming out of difficulties because of the low dollar. Certainly there is a problem with the importation of crude oil, certainly some luxury imports might be a little dearer, but I would have thought that for Australian resource and primary industries broadly this was a good opportunity to even up the agenda. I just add that small contribution because I think two of the last three speakers were quite skew-whiff and opportunistic in their comments.

Mr ENTSCH (Leichhardt—Parliamentary Secretary to the Minister for Industry, Science and Resources) (12.21 p.m.)—in reply—I thank all of those members who contributed to this debate on the Coal Industry Repeal Bill 2000. Clearly, most members have approached the legislation in the spirit of cooperation, with a recognition of the positive direction this legislation takes.

I certainly thank the honourable member for Bonython for his positive comments about the present and future role of the industry, and I agree with his supportive comments about the role of the Joint Coal Board. It is important, though, that I confirm that the Commonwealth act will not commence operation until New South Wales has its legislation in place. All members need to be aware of that. The points made about the importance of safety and the need for R&D into energy efficiency, recognising the future role of coal, were a very valuable contribution and support both the work that is being done in ANZMEC and also the recent announcement by this government to fund the formation of a CRC for coal in sustainable development.
The contribution by the honourable member for Wentworth concerning the various theories about earth’s adaptability to changing CO₂ concentrations is a timely message to governments as we work our way ahead in addressing our many greenhouse issues. The points made by the member for McMillan regarding development in the Gippsland region are interesting but not directly relevant to the legislation. But he, like other members, emphasised the importance of safety, certainly an area where there was very strong general agreement.

The member for Charlton has, appropriately, placed on record the history of the industry in New South Wales and future directions for the industry. I can assure the member that there is every wish to see New South Wales sort out the final sticking points at their end. I emphasise that the commencement is very much contingent on New South Wales finalising their legislation. So there needs to be no concern in that area. The contribution by the member for Oxley was somewhat interesting, particularly in arguing that the employees were not solely to blame with regard to productivity initiatives. There is some validity to that, but industry has very much had to improve. But they are also part of the equation that needs to be addressed.

Industry has had to improve its performance in response to low prices and substantial international competition. The government has done its job by putting in place the necessary framework for industry to get on with the job of exporting in a very competitive environment. I was surprised, given that he was speaking on this bill, that the honourable member was not aware that in most cases coal contracts are, in fact, written in US dollars. Provided that they are hedged properly, they would certainly be doing very well, having regard to the low value of the Australian dollar.

The member for Throsby again emphasised safety. ANZMEC has a process under way to ensure that governments, both state and federal, develop occupational health and safety standards for the mining industry. Zero tolerance of accidents and the adaptation of world’s best practice are key objectives of the mining industry. In terms of industrial issues, I note that the government’s industrial relations legislation has delivered substantial improvements for the industry, making it very competitive internationally. It is now up to all parties to work within that legislation.

The member for Paterson in his contribution drew attention to the productivity gains that have been achieved recently. This has certainly been achieved through the mechanisms that the government has put in place. Industries need to be competitive in the international market, and we certainly do not make any apology for that. I also point out to the honourable member that, while we all very strongly support local investment in this country, foreign investment is also a very vital and important part of the growth of our economy. I do not think we should be suggesting that this should be discarded. I think we should be continuing to welcome foreign investment in this country.

I also noted with interest the honourable member’s remarks on unions. There seems to be a perception from those on the other side that we on this side have no understanding of unions. I do not know whether any of us are actually members of unions, because we feel that we need to be impartial when we are in this place and not be controlled by the union masters. I noted that the member for Hinkler commented on unions as well. I was actually a convenor for the metalworkers and shipwrights union—a somewhat militant union that I am sure members on the other side would be aware of. I am very proud of my association with that union and very strongly supportive of the union movement. But the member for Hinkler rightfully expressed concern—and I think it was a very valid concern—while also acknowledging the value of the unions, that union masters or leaders try to maintain their relevance, and I guess their pay packages, by undertaking actions which, in many cases, show that they have no interest in serving the needs of their members. While they continue to insist that most members on the other side should be members of relevant unions while they are in this place, one cannot help being cynical and believing that members opposite are somehow controlled by those masters.
The Coal Industry Repeal Bill 2000 certainly represents a very important step towards the removal of unnecessary regulatory intervention in the Australian coal industry. The bill supports the Commonwealth’s withdrawal from the Joint Coal Board and facilitates the smooth transition of its remaining functions to government and industry within New South Wales. Since the JCB was established in 1946, the Australian coal industry has evolved from a highly regulated industry supplying domestic markets to become the world’s number one exporter of top quality coal.

In the process, coal has become Australia’s single largest export commodity, accounting for around 10 per cent of the merchandise trade. Most importantly, the industry continues to grow very strongly. Australian coal exports are expected to expand by around $2 billion—$2,000 million—in this financial year, to exceed $10 billion for the very first time. It is a very significant contribution to the Australian economy. Further strong growth is expected next year on the back of price increases and expanding output.

Coal is also Australia’s primary source of electricity and, as such, is very important to Australian households and industry. All of our electricity, with the exception of about 15 per cent, comes from coal. I am sure members will appreciate that many of our major industries, such as steel, aluminium, chemicals, plastic and cement, rely very heavily on economical, coal fired electricity in order to be internationally competitive. Members will also recognise, I am sure, the important contribution that the industry makes to regional Australia.

The industry operates in a dynamic and highly competitive international environment. This government’s policy is aimed at providing a secure operating environment and implementing reforms that remove regulatory and other impediments to industry operations. The contribution of the industry to Australia relies on its capacity to respond effectively to the many challenges it faces. For instance, depressed coal prices over the last few years threatened the viability of large sections of the industry. The extra flexibility afforded by the government’s workplace relations reform allowed the industry to find ways to improve productivity and to operate competitively at these lower prices.

The Commonwealth’s withdrawal from the JCB continues these reforms. It will put the New South Wales coal industry on an equal footing with those in all other states who have adequately managed their own coal industries without this level of Commonwealth involvement or oversight. For the first time since 1946, New South Wales will be given the flexibility to fully manage its own coal industry responsibilities without additional Commonwealth involvement. On Commonwealth withdrawal, all the existing functions of the JCB are to be fully transferred to New South Wales. These functions are in the areas of workers compensation, occupational health and rehabilitation, training and information. This government has worked in cooperation with the New South Wales government and industry in developing arrangements for the Commonwealth’s withdrawal from the JCB, and an important aspect of these arrangements has been to ensure that the resources of the JCB that they used to manage its existing functions are fully transferred to New South Wales. This includes existing staff of the JCB.

The Coal Industry Repeal Bill 2000 provides for the transfer of all the assets and liabilities of the JCB to the New South Wales government, to use as it determines to manage the functions carried out by the JCB. The net assets of the JCB are $23.5 million as of 30 June 2000. The New South Wales government and industry are in the best position to determine what is best for their industry. As such, this government has not sought to intervene or influence the arrangements being established by the New South Wales government and industry to take on these functions. These arrangements are to be embedded in corresponding New South Wales legislation, the New South Wales Coal Industry Bill 2001, which supports the winding-up of the JCB and the establishment of a new entity to take on the essential functions of the JCB. I note the intention is that the new entity will be owned and managed cooperatively by industry
participants. The government wishes New South Wales every success in implementing the new arrangements for managing these functions.

I would like to conclude this address by noting the very important contribution of the JCB over the past 55 years in the development of the New South Wales coal industry. As I have noted in my second reading speech, the JCB has made major contributions to the areas of early industry mechanisation, setting occupational health standards and improving the health of coalmine workers and community services. This government is certainly fully appreciative of the role played by the JCB and thanks all its former and current staff and board members for their very valuable contributions.

Question resolved in the affirmative.
Bill read a second time.
Ordered that the bill be reported to the House without amendment.

Main Committee adjourned at 12.35 p.m.
QUESTIONS ON NOTICE

The following answers to questions were circulated:

**Australian Government Solicitor: Clients**

(Question No. 1849)

Mr McClelland asked the Attorney-General, upon notice, on 17 August 2000:

1. Is the Australian Government Solicitor (AGS) representing a Mrs Haywood and a Mrs Nardi in relation to letters addressed to them dated 27 April 2000 from Ms Christine Trevett, a former staff member of Mr Cameron Thompson MP.

2. Is it the case that both Mrs Haywood and Mrs Nardi are not employed by Mr Thompson in his capacity as a Member of Parliament.

3. Are there any restrictions on the classes of clients which the AGS may represent; if so, what are those restrictions.

4. On what basis is the AGS representing Mrs Haywood and Mrs Nardi.

5. Who is paying the costs of the AGS in respect of Mrs Haywood and Mrs Nardi.

6. What is the sum of those legal costs to August 2000.

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

1. Yes, save that the letters dated 27 April 2000 were from Ms Trevett’s solicitors, not Ms Trevett personally.

2. I am advised that neither Mrs Haywood nor Mrs Nardi is employed by Mr Thompson in his capacity as a Member of Parliament.

3. The AGS may provide services to the persons and bodies set out in, and subject to the conditions in, s55N of the Judiciary Act 1903.

4. Section 55N(4) of the Judiciary Act empowers the AGS to provide services to a person if the CEO of the AGS so determines and to do so would be within the functions of the AGS. The functions of the AGS are provided for in s55K of the Judiciary Act. They include provision of legal services and related services to the Commonwealth and anything incidental to any of its functions.

In this case, Mrs Haywood and Mrs Nardi were to be central witnesses on behalf of the Commonwealth in unfair dismissal proceedings brought against the Commonwealth by Ms Trevett but then discontinued by her. The subsequent letters from Ms Trevett’s solicitors threatened court action against Mrs Haywood and Mrs Nardi in relation to statements they made which contributed to Ms Trevett’s dismissal.

In these circumstances it was considered to be in the Commonwealth’s interests for AGS to act for Mrs Haywood and Mrs Nardi in relation to the court proceedings threatened against them. Considerations supporting this view included the Commonwealth’s interest in what was an indirect challenge by Ms Trevett to the correctness of her dismissal.

Accordingly, the CEO of the AGS has made a determination under s55N(4) of the Judiciary Act enabling the AGS to act for Mrs Haywood and Mrs Nardi in relation to the letters from the solicitors for Ms Trevett and any consequential litigation instituted by her.

5. The Commonwealth, through the Department of Finance and Administration, is paying the costs of the AGS in respect of Mrs Haywood and Mrs Nardi.

6. The AGS’s costs in relation to this matter as at 31 August 2000 were approximately $4,035.

**Petroleum Resource Rent Tax**

(Question No. 2013)

Mr Crean asked the Treasurer, upon notice, on 4 October 2000:

1. In respect of the Petroleum Resource Rent Tax, what was the 2000-01 Budget revenue estimate for the 2000-01 financial year?

2. On what price per barrel of oil was this estimate based?

Mr Costello—The answer to the honourable member’s question is as follows:
(1) The 2000-01 estimate of Petroleum Resource Rent Tax (PRRT) can be found in the Revenue Statement of the 2000-01 Budget, on page 5-6.

(2) The Government does not publish this figure.

**Fuel Prices**

(Question No. 2119)

Mr Rudd asked the Treasurer, upon notice, on 2 November 2000:

1. What was the retail price of diesel on (a) 30 June 2000 and (b) 30 September 2000.
2. What proportion of the 30 September 2000 price was represented either by the GST or GST related factors.
3. What was the industry-specific rationale for providing both farmers and the heavy transport industry with access to the Diesel Fuel Rebate Scheme.
4. What was the cost to budget of the application of that Diesel Fuel Rebate Scheme to those two industry sectors.
5. Is he aware of the impact of the increase in diesel prices on the civil engineering contracting business.
6. Will he consider including the civil engineering contracting business within the Diesel Fuel Rebate Scheme; if not, how does this industry sector differ from the two industry sectors to which he has extended the Diesel Fuel Rebate Scheme.
7. What was the impact of diesel price increases between 30 June and 30 September 2000 on the construction price of underground power, footpaths, country roads and residential real estate developments for consumers.

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

2. GST is calculated as 1/11th of the retail price.
3. The Government proposed in Tax Reform: Not a New Tax, A New Tax System, a full credit of excise on diesel and like fuels used off-road by registered businesses. The opposition of the Australian Labor Party to the Government's tax reform legislation required the Government to seek the agreement of the Australian Democrats to secure parliamentary approval for tax reform. As part of the agreement a full rebate is only available to eligible activities under the diesel fuel rebate scheme including an extension to rail and marine transport.
4. The Government does not separately identify the costs of the diesel fuel rebate scheme by industry.
5. Yes.
6. See answer (3).
7. See answer (1).

**Competition Principles Agreement**

(Question No. 2157)

Mr Kelvin Thomson asked the Treasurer, upon notice, on 27 November 2000:

1. What were the changes made to the Competition Principles Agreement (CPA) at the recent Council of Australian Governments (CoAG) meeting on 3 November 2000.
2. Will the changes need to be assessed by the Federal Parliament.
3. How will the changes address the concerns about National Competition Policy (NCP) expressed in the (a) Productivity Commission’s report into the Impact of Competition Policy Reforms on Rural and Regional Australia and (b) the Senate Select Committee into the Socio Economic Impacts of National Competition Policy.
4. What impact will the changes made have on (a) the perceived economic impact of NCP reforms, (b) the involvement of the public in determining the ‘public interest’, (c) the transparency of the
decision making process surrounding the application of competitive neutrality, (d) the decision making process for assessing jurisdictions implementation process and payment of the NCP tranche payments and (e) improving the role of elected Governments in the process.

(5) Has the five year review been completed, if not when will it be completed.

(6) Since March 1996, (a) how often has CoAG met, (b) how often has it considered NCP and (c) what decisions were made.

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

(1) The 3 November 2000 CoAG decisions concerning NCP, including changes to the Competition Principles Agreement, were announced in the CoAG Communiqué and have been made publicly available from the National Competition Council website (www.ncc.gov.au).

(2) No.

(3) CoAG indicated that these amendments will serve to address a number of community concerns regarding the application of NCP which were identified in the recent Productivity Commission and Senate Select Committee inquiries into competition policy. The Prime Minister has written to Premiers and Chief Ministers noting the Commonwealth’s 10 August 2000 responses to these reports and the recent CoAG amendments to NCP, and seeking their consideration of the issues raised in the reports (particularly those recommendations relevant for State and Territory Governments). See also the answers to question (4) below.

(4) CoAG noted that the adoption of these changes will establish a practical framework for the ongoing, effective implementation of NCP, while demonstrating its ongoing commitment to this policy and safeguarding the flow of benefits it is delivering to Australians as a whole.

(4)(a) and (b) As noted above, CoAG indicated that the amendments will serve to address a number of community concerns about NCP. CoAG has also agreed to take an enhanced role in guiding the NCC in relation to its role in explaining and promoting NCP policy to the community. Further, it was agreed that Governments, in meeting the requirements of sub-clause 1(3)(a)(b) and (c) of the CPA, will document the public interest reasons supporting a decision or assessment and make them available to interested parties and the public, and give consideration to explicitly identifying the likely impact of reform measures on specific industry sectors and communities, including expected costs in adjusting to change. CoAG has also agreed that, in assessing whether the threshold requirement of Clause 5 (legislation review) of the CPA has been achieved, the NCC should consider whether the conclusion reached in the report is within a range of outcomes that could reasonably be reached based on the information available to a properly constituted review process. However, within the range of outcomes that could be reasonably be reached, CoAG considered it is a matter for Government to determine which policy is in the public interest.

(4)(c) As noted in the answers to (4)(a) and (4)(b), the CoAG amendments are intended to enhance the transparency of decisions relating to NCP matters. This includes decisions made in relation to the implementation of competitive neutrality (sub-clause 3(6) of the CPA).

(4)(d) Amendments to future assessment processes cover both procedural matters and the interpretation of specific reform commitments (legislation review and competitive neutrality). It was decided that the NCC would undertake an annual assessment of all jurisdictions beyond the initial third tranche assessment in June 2001, and make recommendations on the level of competition payments to be made to each State and Territory. The amendments are set out in the source material mentioned in the response to Question (1).

(4)(e) CoAG has agreed that the NCC will determine its forward work program in consultation with CoAG Senior Officials, and has noted that the NCC will provide a six monthly report to Senior Officials detailing its draft forward work program, including its communications and future assessment activities. Senior Officials are to continue to provide guidance to the NCC to clarify CoAG’s requirements in relation to the interpretation of NCP reform commitments, including appropriate assessment benchmarks, as required. A further review of the NCP agreements, and the NCC’s assessment role, is to be conducted before September 2005.

(5) Yes.
(6) Since March 1996, (a) CoAG has met four times, (b) considered NCP matters twice, resulting in (c) the approval of the CoAG Regulation Impact Statement guidelines (7 November 1997) and the amendments identified in the response to the first question (3 November 2000).

Companies: Shareholder Meetings
(Question No. 2250)

Mr Murphy asked the Treasurer, upon notice, on 7 December 2000:

(1) Has his attention been drawn to instances at a number of annual general meetings recently where Westfield, Boral and Davnet circumvented a long standing tradition of a call for a show of hands to register shareholder approval for resolutions or directors put to the vote of publicly listed companies.

(2) What plans has the Government in train to enforce basic meeting procedures at shareholders meetings of listed companies.

(3) Is it a fact that over 30% of superannuation funds do not cast their votes at the annual general meeting of listed companies in which they invest.

(4) Does he have any plans to increase the voting rate of these superannuation funds.

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

(1) The internal voting procedures of a company are a matter for the shareholders and directors of that company. If any of the shareholders of Westfield, Boral or Davnet consider there has been a procedural irregularity in the company’s voting procedures that has resulted in a substantial injustice they may apply for a court order to rectify that injustice – this is a matter on which they would need to seek private legal advice.

(2) I am advised that:

- procedural requirements for the meetings of any particular listed company are set out in the Corporations Law, the Australian Stock Exchange (ASX) Listing Rules and sometimes in the company’s constitution. Enforcement of requirements is generally a matter for the company and its shareholders, and in certain circumstances the ASX and the Australian Securities and Investments Commission (ASIC);
- the Corporations Law automatically validates certain procedural irregularities concerning meetings, unless the irregularity may cause an injustice that cannot be remedied by a court order (the onus of showing substantial injustice rests on those opposing automatic validation) – this would be an issue requiring private legal advice;
- as an additional matter it should be noted that the government recently released a response to the report of the Parliamentary Joint Statutory Committee on Corporations and Securities on matters arising from the Company Law Review Act 1998 which dealt with a number of aspects of the conduct of company meetings, including arrangements for proxy votes. Additionally the government proposed a new “square root” test for determining the number of members that may require the directors of a company to call a general meeting.

(3) I am not aware of any published information specifically regarding superannuation funds’ voting records at annual general meetings of listed companies in which they invest. However, I am advised that a research report entitled Proxy Voting in Australia’s Largest Companies by the Centre for Corporate Law and Securities Regulation (the University of Melbourne) and Corporate Governance International, indicates that in companies with a widely held shareholder base – that is, without a major non-institutional shareholder – proxy instructions for director-election resolutions represented on average 35% of total voting capital in 1999. The 1998 figure was 32%.

(4) The Minister for Financial Services and Regulation is on record calling on funds managers and trustees to take a more activist role in policing corporate accountability. While the Government strongly encourages institutional investors (including superannuation funds) to be actively involved in the corporations they have invested in, it is not something the Government should additionally need to legislate for. Trustees of superannuation or investment funds owe a general fiduciary duty, and duties arising from industry specific legislation, to act in the interests of their investors, and should in all cases consider whether to exercise their votes on behalf of their members where that is in the best interests of the company.
Commonwealth Defamation Legislation: National Uniformity
(Question No. 2297)

Mr McClelland asked the Attorney-General, upon notice, on 6 February 2001:

(1) What steps has he taken since the meeting of the Standing Committee of Attorneys-General in Perth 1998 to achieve national uniform defamation legislation.

(2) In the absence of agreements by the State and Territory governments to pursue national uniform defamation legislation, has he received any legal advice relating to the extent to which the Commonwealth could unilaterally enact Commonwealth defamation legislation relying on the heads of power available to it in the Constitution.

(3) What barriers exist to the enactment of Commonwealth defamation legislation.

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

(1) Given the continued inability of the States and Territories to reach agreement on uniform defamation laws, the Government is not pursuing the issue at this time. I note, however, that on 9 December 1999 the ACT Attorney-General introduced a Bill into the ACT Legislative Assembly to reform ACT defamation law. In addition the NSW Government held a forum on defamation law in May 2000, and continues to explore this issue.

(2) In 1997, my Department received advice from the Chief General Counsel on the ability of the Commonwealth to enact national defamation legislation.

(3) Based on advice received, I understand that the Commonwealth has some limited constitutional power to enact defamation legislation. I have been informed, however, that such legislation could not provide a comprehensive and uniform approach to defamation law. The Government has supported consistency of defamation laws throughout Australia, and this requires State and Territory involvement. While the issue of uniform defamation law has periodically been under consideration by the Standing Committee of Attorneys-General, unfortunately, the States and Territories have been unable to agree on substantive reform.

Holsworthy Correctional Centre: Additional Investigations
(Question No. 2326)

Mr Price asked the Minister Assisting the Minister for Defence, upon notice, on 6 February 2000:

(1) Further to the answer to question No. 557 (Hansard, 12 May 1999, page 5321) was the military police investigation into the majority of the allegations completed as stated by the end of May 1999, if not, why not.

(2) Did the former Minister or his staff direct that the investigation should be wrapped up; if not, who ordered the investigation to be wrapped up, when all allegations had not been investigated.

(3) What were the allegations that were either not investigated or subject to continuing investigation.

(4) Further to part (4) of the answer concerning the report relating to the majority of allegations, were any of the remaining allegations investigated by the Military Police; if not, by whom where they investigated.

(5) When were the remaining investigations concluded and with what outcome.

Mr Bruce Scott—the answer to the honourable member’s question is as follows:

(1) Yes, the Military Police investigation was completed on 29 April 1999.

(2) No. There was no direction by any person to the Military Police to truncate the investigation.

(3) There were no allegations that were not investigated. The Military Police investigation that concluded on 29 April 1999 identified a complex series of allegations involving a large number of witnesses. Over 200 witness statements were taken. There was a delay between the conclusion of the investigation and the prosecution commencing. The prosecution required that further investigation be undertaken. An investigative task force was established to support this process. The task force was also used to investigate allegations arising from individual appearances before the
Joint Standing Committee on Foreign Affairs, Defence and Trade, Defence sub-Committee and media attention.

(4) Allegations arising from individual appearances before the Joint Standing Committee on Foreign Affairs, Defence and Trade, Defence sub-Committee and media attention have been investigated by either Service Police, Australian Federal Police or administratively investigated in accordance with Defence Inquiry Regulations.

(5) Investigations into allegations arising from individual appearances before the Joint Standing Committee on Foreign Affairs, Defence and Trade, Defence sub-Committee are either ongoing or subject to legal review prior to prosecution. The Joint Standing Committee on Foreign Affairs, Defence and Trade, Defence sub-Committee, have been kept informed of developments. It would be inappropriate to provide details until proceedings are completed.

Wood and Paper Industry Strategy: Funding

(Question No. 2337)

Mr Laurie Ferguson asked the Minister representing the Minister for Industry, Science and Resources, upon notice, on 7 February 2001:

For each year from 1995-96, what was the level of funding provided by the Minister’s portfolio for elements of the 1995 Wood and Paper Industry Strategy, including

(a) Innovation and research and development activities of the Forest and Wood Products Research and Development Corporation and the Industry Research and Development Board
(b) AusIndustry enterprise development assistance
(c) Research and improved access to information on plantation resources and wood markets
(d) Farm Forestry Program
(e) North Queensland Community Rainforest Reforestation Program
(f) Development of sustainability criteria and indicators under the Montreal process and
(g) Funding and secretariat support for the Wood and Paper Industry Council.

Mr Reith—The Minister for Industry, Science and Resources has provided the following answer to the honourable member’s question:

The Wood & Paper Industry Strategy (WAPIS) commenced in 1996-97. Funding provided by the portfolio for WAPIS is $4.7m.

Total funding provided by my Department for the Wood and Paper Industry Strategy was:

(a) This activity was not funded by the portfolio.
(b) $2.2m was provided for enterprise development assistance through AusIndustry.
(c) to (f)This activity was not funded by this portfolio.
(g) Funding through WAPIS.

Member for Melbourne: Alleged Champerty

(Question No. 2364)

Mr Tanner asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 8 February 2001:

(1) Did the former Minister on 11 November 2000 advise that independent legal advice was being obtained on whether I had committed the offence of champerty by accepting assistance from the Maritime Union to pursue Federal Court proceedings against the former Minister and his Department.

(2) Has the advice been obtained: if so, (a) from which practitioners and (b) what sum is the Commonwealth liable to pay for the

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

(1) The former Minister informed Parliament (Hansard, Thursday 9 November 2000, page P19942) on 9 November 2000 that:
My Department further advises that the funding of one party to take forward the legal action on behalf of another party could appear to be an example of champerty – an illegal sharing in the proceeds of litigation by one who promotes it or where one party gets direct benefit from legal actions undertaken on its behalf by another. The member for Melbourne will not be surprised that I have sought legal advice on the legality of a deal which provides him personally with more than $100,000 to fund a political campaign in which he is the dummy, as usual, for the MUA.”

(2) (a) I have been advised that preliminary advice on the tort of champerty was provided orally during a telephone conference on 16 November 2000 and that after further consideration of that issue by Counsel, further advice on champerty was provided orally during a telephone conference on 7 December 2000, and that all this advice was provided by Mr Nunzio Lucarelli QC and Mr David Chan of Counsel instructed by Australian Government Solicitor.

(b) I have been advised that the total amount payable for this advice was $4,679.00.

Office of the Employment Advocate: Staffing
(Question No. 2366)

Mr Bevis asked the Minister for Employment, Workplace Relations and Small Business, upon notice, on 26 February 2001:

(1) For each state and territory and for each identified business unit (according to the Office of the Employment Advocate (OEA) published organisational chart) and classification, how many staff are currently employed by the OEA, both in actual numbers and full time equivalent.

(2) Since 1 July 2000 how many staff ceased employment with the OEA.

(3) Of the staff who have changed classification or ceased employment with the OEA since 1 July 2000, how many have accepted a:
   (a) promotion within the OEA,
   (b) promotion within the Australian Public Service (APS),
   (c) demotion within the OEA,
   (d) demotion within the APS or
   (e) position outside the public sector.

(4) As at 30 June 2000, how many staff were employed by the OEA, both in actual numbers and full time equivalent.

(5) Between 1 July 1999 and 30 June 2000 how many staff changed classification or ceased employment with the OEA.

(6) Of the staff who changed classification or ceased employment with the OEA between 1 July 1999 and 30 June 2000, how many accepted a:
   (a) promotion within the OEA
   (b) promotion within the Australian Public Service (APS),
   (c) demotion within the OEA,
   (d) demotion within the APS or
   (e) position outside the public sector.

(7) As at 30 June 1999, how many staff were employed by the OEA, both in actual numbers and full time equivalent.

(8) Between 1 July 1998 and 30 June 1999 how many staff changed classification or ceased employment with the OEA.

(9) Of the staff who changed classification or ceased employment with the OEA between 1 July 1998 and 30 June 1999, how many accepted a:
   (a) promotion within the OEA
   (b) promotion within the (APS),
   (c) demotion within the OEA,
   (d) demotion within the APS or
(e) position outside the public sector

(10) As at 30 June 1998, how many staff were employed by the OEA, both in actual numbers and full time equivalent.

(11) Between 1 July 1997 and 30 June 1998 how many staff changed classification or ceased employment with the OEA.

(12) Of the staff who changed classification or ceased employment with the OEA between 1 July 1997 and 30 June 1998, how many accepted a:
   (a) Promotion within the OEA
   (b) promotion within the (APS),
   (c) demotion within the OEA,
   (d) demotion within the APS or
   (e) position outside the public sector.

(13) As at 30 June 1997, how many staff were employed by the OEA, both in actual numbers and full time equivalent.

(14) Between 1 July 1997, how many staff were employed by the OEA, both in classification or ceased employment with the OEA.

(15) Of the staff who changed classification or ceased employment with the OEA between 1 July 1996 and 30 June 1997, how many accepted a:
   (a) Promotion within the OEA
   (b) promotion within the (APS),
   (c) demotion within the OEA,
   (d) demotion within the APS or
   (e) position outside the public sector.

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

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<tr>
<th>Position</th>
<th>Actual</th>
<th>Full Time Equivalent</th>
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<tbody>
<tr>
<td>Group Manager (located in Sydney)</td>
<td>2</td>
<td>2</td>
</tr>
<tr>
<td>Corporate Planning and Services (located in Sydney)</td>
<td>12</td>
<td>12</td>
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<td>Assistance and Advice Group New South Wales</td>
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<td>8.8</td>
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<tr>
<td>Western Australia Actual 3, Full time Equivalent 3</td>
<td>1</td>
<td>1</td>
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<tr>
<td>Northern Territory Actual 2, Full Time Equivalent 2</td>
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<td>1</td>
</tr>
<tr>
<td>Queensland Actual 12, Full Time Equivalent 11</td>
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<td>3</td>
</tr>
<tr>
<td>Australian Capital Territory Actual 3, Full Time Equivalent 2.2</td>
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Legal and Compliance

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<tr>
<th>Position</th>
<th>Actual</th>
<th>Full Time Equivalent</th>
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<td>National office located in Sydney</td>
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<td>Victoria Actual 7, Full Time Equivalent 6.2</td>
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<tr>
<td>Queensland Actual 3, Full Time Equivalent 3</td>
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<tr>
<td>Australian Capital Territory Actual 1, Full Time Equivalent 1</td>
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</tbody>
</table>
National Communications Team
National office located in Sydney Actual 11, Full Time Equivalent 8.5
Policy and Research Unit (located in Sydney) Actual 5, Full Time Equivalent 3.5

(2) 11
(3) (a) 5
(b) Nil
(c) Nil
(d) Nil
(e) 10

(4) Actual 119, Full Time Equivalent 105.3
(5) 4 changes in classification (ie promotions) occurred during the period 1 July 1999 and 30 June 2000. 21 staff ceased employment.

(6) (a) 4
(b) 2
(c) Nil
(d) Nil
(e) 8

(7) Actual 112, Full Time Equivalent 99.3
(8) 6 changes in classification (ie promotions) occurred during the period 1 July 1998 and 30 June 1999. 24 staff ceased employment.

(9) (a) 6
(b) 1
(c) Nil
(d) Nil
(e) 16

(10) Actual number of staff as at 30 June 1998 was 73 — Full Time Equivalent records not maintained due to changes within personnel processing system.

(11) Changes to Personnel records system do not allow records to be obtained.

(12) Changes to Personnel records system do not allow records to be obtained.

(13) Actual number of staff as at 30 June 1997 was 52 — Full Time Equivalent records not maintained due to changes within personnel processing system.

(14) Nil

(15) (a) Nil
(b) Nil
(c) Nil
(d) Nil
(e) Nil.

Royal Australian Air Force: Australian Formula One Grand Prix
(Question No. 2451)

Mr Danby asked the Minister for Defence, upon notice, on 8 March 2001:

(1) Would his Department have been liable if one of the RAAF aircraft used during the Australian Formula One Grand Prix caused injury to a resident or damage to a resident's property.

(2) What was the cost of this year's flyover by RAAF aircraft.
(3) What, if any, populated areas do F18 strike aircraft fly over during flights ascribed to as RAAF flight training.

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

(1) A Deed of Indemnity was made between the Commonwealth of Australia, represented by the Department of Defence, and Australian Grand Prix Corporation which deed indemnified the Commonwealth against death, injury or loss.

(2) Costs were as follows:

<table>
<thead>
<tr>
<th></th>
<th>Full Costs</th>
<th>Direct Costs</th>
</tr>
</thead>
<tbody>
<tr>
<td>F/A-18’s</td>
<td>450,410</td>
<td>78,495</td>
</tr>
<tr>
<td>Roulettes</td>
<td>183,680</td>
<td>27,870</td>
</tr>
<tr>
<td>Total</td>
<td>634,090</td>
<td>106,365</td>
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</tbody>
</table>

(3) Royal Australian Air Force (RAAF) F/A18 tactical fighter aircraft routinely operate in military restricted airspace, civil restricted airspace and other non-designated airspace here in Australia and places elsewhere in the world. Flight training is conducted either over water or relatively sparsely populated countryside. Other training activities, such as route familiarisation and survey for flypasts and displays, may require operation over populated areas.